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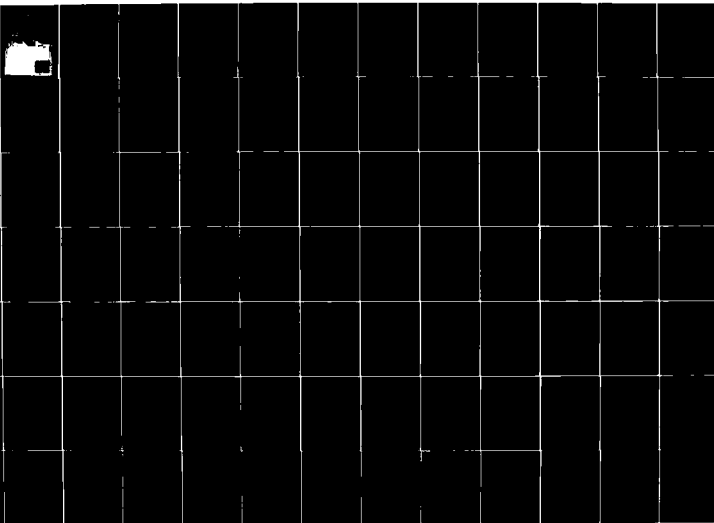
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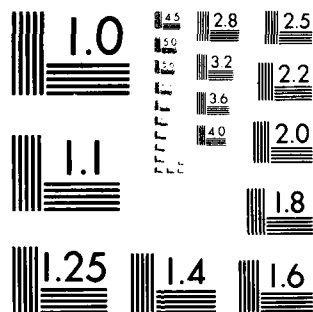
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A Community of Interests:

NATO
and the
Military Assistance Program,
1948-1951

Lawrence S. Kaplan



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"What we are about to do here is a neighborly act. We are like a group of householders, living in the same locality, who decide to express their community of interests by entering into a formal association for their mutual self-protection."

HARRY S TRUMAN
April 4, 1949

From Address on Occasion of the Signing of the North Atlantic Treaty.

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Foreword

World War II and its aftermath brought about a fundamental redirection of U.S. foreign policy. Not entirely willingly, the United States committed itself to a far more active role on the world scene than ever before. Much of the dynamic for this transition of attitude and policy from 1947 onward derived from a widely held perception of a Communist threat to peace and stability throughout the world. Of special concern to the United States was the security of Western Europe, for which Americans had fought and died in two wars in successive generations. And Western Europe, along with most of the world, looked to the United States for the restoration of its economic and political stability and security.

The military dimension loomed especially large because of the European fear of Soviet dominance of the Continent by political and military means. The Marshall Plan—which undertook to restore the economic health of Western Europe—was followed by the establishment of the North Atlantic Treaty Organization and the adoption of the Mutual Defense Assistance Program (MDAP) by the United States.

Although the MDAP included nations other than the NATO countries as recipients of U.S. military assistance, the European countries remained the focus of the program during the early years. This study examines the origins and establishment of MDAP and its interrelationship with NATO. MDAP policies and performance had a profound effect on the evolution of NATO's military establishment and capabilities. Conversely, NATO influenced the organization and direction of the Mutual Defense Assistance Program.

The Department of Defense participated with the Department of State in the establishment of policies pertaining to military assistance and had the major responsibility for carrying out the policies. While the military Services actually performed the day-to-day military assistance functions, the Office of the Secretary of Defense oversaw the operation of the functions and represented the Department at the interdepartmental, White House, and international levels. This study is concerned chiefly with developments at this level because its focus is properly the Office of the Secretary of Defense. Other aspects of mutual defense assistance history may be found in studies and documents issued by other government agencies, including the Department of State, the Mutual Security Administration, and the military Services.

This study is one of the volumes in the overall historical series being prepared by the Office of the Secretary of Defense. This series includes documentary volumes, a multi-volume History of the Office of the Secretary of Defense, and studies, such as this one, of special historical topics pertaining to the Office of the Secretary of Defense. The present volume complements the first two volumes of the Office of the Secretary of Defense history, which are for the periods 1947–50 and 1950–53, respectively.

iv Foreword

The author, Lawrence S. Kaplan, is University Professor of History and Director of the Center for NATO Studies at Kent State University. He has published extensively on American diplomatic history and national security subjects.

ALFRED GOLDBERG
Historian, OSD

Preface

The origins of this book go back to the Truman administration, to 1951 when the first Historian of the Office of the Secretary of Defense, Rudolph A. Winnacker, initiated a study of the responsibilities of the newly established Defense Department in the conception and management of the military assistance program. As a member of the office, I was to examine, among other things, the role of the military in foreign affairs and the politics of interagency cooperation, as well as the workings of coalition diplomacy. The United States involvement in the North Atlantic Treaty Organization, the major beneficiary of military assistance, was a logical focus of the monograph.

But such a study was not to be completed in the 1950's. Other more pressing assignments of the Office of the Secretary of Defense intervened and the MAP project, partially completed, was shelved until more time would be available to it. The project was put aside, although officials in the Office of North Atlantic Treaty Affairs read a draft which they judged to be a useful guide to a complicated subject. It would have been more useful to them, they observed, if its contents could have been boiled down to one or two pages.

I left government service in 1954. Twenty years later Alfred Goldberg, Historian of the Office of the Secretary of Defense, initiated a publication series that would explain the role of the Secretary of Defense to a broad readership, including the academic community. The fragmentary MAP-NATO manuscript was reclaimed and deemed salvageable. It was to be extensively updated, revised, and expanded in light of information and perspective provided by the passage of time. I was asked to return to the Pentagon as a consultant to complete this task. For this recall, I wish to thank the past and present historians of OSD. I am grateful as well for their guidance and support as this project moved toward completion.

Within the Office of Historian, Harry Yoshpe, Doris M. Condit, and Steven Rearden and consultant Ronald Hoffman, of the University of Maryland, gave me the benefit of their research in the history of OSD. Samuel A. Tucker, Deputy Historian, made life easier for me on many occasions through his intimate knowledge of OSD archives. And Virginia Wulf typed the many versions of the manuscript with more patience than my importunities warranted. At Kent State University, Marjorie Evans performed numerous typing services for this project with her customary efficiency and cheerfulness.

Help came to me from many quarters in Washington. David F. Trask, Historian, Department of State, provided cooperation that was vital to this project at a critical moment. Lisle A. Rose, formerly with the Historical Office, Department of State, was also helpful. Ernest H. Giusti and Kenneth Condit of the Historical Division of the Joint Chiefs of Staff made available to me a JCS monograph touching on the military assistance program. Similarly, Maurice Matloff, Chief Historian, and Detmar Finke of the Center of Military History,

Department of the Army, permitted me to read Byron Fairchild's fragmentary manuscript on the Army and the MDAP. Within the National Archives, Edward Reese and Marilla Guptill unlocked key doors to the rich materials in the Modern Military Division. I wish to thank also Milton O. Gustafson, Chief, Diplomatic Branch of the National Archives, for his advice and support with respect to records of the Department of State. I recall with appreciation Fred Pernell who quickly and efficiently showed me the way into ECA records at the Federal Records Center in Suitland, Maryland.

As for other collections outside Washington, Forrest C. Pogue, editor, and Sydney Lowery of the George C. Marshall Papers, and Philip Lagerquist, Chief Archivist, Harry S. Truman Library, Independence, Missouri, were helpful during my stay at the Truman Library. Frances Chen went out of her way at the Princeton University Library to check references for me in the Forrestal Papers. I am grateful as well to the Citadel, Charleston, South Carolina, where I had an opportunity to present a brief summation of the first three chapters at the Citadel's Conference on War and Diplomacy in March 1976. It was published in the Conference's *Proceedings*, edited by David H. White in 1976, as "Toward the Atlantic Alliance: The Military Assistance Program and Western Europe, 1947-1949," pages 88-94. Benedict K. Zobrist, Director of the Truman Library, along with Francis H. Heller, editor of the *Korean War: A 25-Year Perspective*, published in 1977 by the Regents Press of Kansas, graciously permitted me to rework portions of my essay from that volume, "The Korean War and U.S. Foreign Relations: The Case of NATO," pages 36-75, into this book.

I owe a special debt to my custodians in Defense Contract Administrative Services at the Federal Building in Cleveland where I worked on the manuscript intermittently over a 2-year period, from 1975 to 1977. Paul S. Keenan, Director of Industrial Security; Robert T. Colbert, Command Security Officer; Patricia A. Abbey; and Ruth R. Alexander, members of the staff, offered hospitality to this intruder with an enthusiasm that brightened my frequent trips from Kent to Cleveland.

Outside government, a number of scholars in the field of contemporary American diplomatic history came to my aid by reading the manuscript carefully and critically. I am grateful for their expertise. They include Albert H. Bowman of the University of Tennessee at Chattanooga—who has read all my manuscripts for the past 20 years; Theodore A. Wilson of the University of Kansas at Lawrence; Samuel F. Wells of the University of North Carolina at Chapel Hill and the Woodrow Wilson International Center for Scholars; and Thomas G. Paterson of the University of Connecticut at Storrs. John O. Iatrides of Southern Connecticut State College gave me the benefit of his special knowledge of Greek-American Affairs in the 1940's. G. M. Richardson Dougall, former Deputy Director of the Historical Office of the State Department, edited the entire manuscript with tact as well as skill.

In addition to the above readers, two principal figures in the management of the MAP offered their advice and criticism: General Lyman L. Lemnitzer, Defense representative on the Foreign Assistance Correlation Committee and Director of the Office of Military Assistance in 1949-50; and John H. Ohly, Deputy Director of the Mutual Defense Assistance Program and Deputy Director for Mutual Security in 1950-51. General Lemnitzer gave me hours of his time as he reflected on his central role in NATO and the MAP. Mr. Ohly prepared a 26-page single-spaced commentary based on his unparalleled

experience at the center of the military aid programs. Other public servants whose duties from 1948 to 1951 touched upon the problems of this book have offered important commentary: John O. Bell of the University of South Florida and formerly Chairman, FACC; Richard M. Bissell, Jr., former ECA Administrator; Edwin M. Martin of the Population Crisis Committee and former MDAP Coordinator for the Department of State; Judge Theodore Tannenwald, Jr., of the United States Tax Court, Counselor to the Secretary of Defense, 1947-49, and Assistant Director of the Mutual Security Program, 1951-53. Robert J. Donovan drew from his own studies of the Truman era to offer suggestions for improving the book.

There is one person who has been with this project from its inception to the present—my friend and colleague Alice C. Cole—as historian, critic, and principal editor. I should like to lay some of the blame on her for such errors of fact and judgment as may have accumulated over the years and over the pages of this volume. Regrettably, this responsibility must remain exclusively my own.

LAWRENCE S. KAPLAN
Kent State University

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CHAPTER I

Origins of the Mutual Defense Assistance Program

Introduction

When the United States signed the North Atlantic Treaty (NAT) on 4 April 1949 it rejected a long and useful tradition of isolationism that had permitted the Republic in the 19th and 20th centuries to flourish independent of entangling ties with the Old World. By committing itself to the defense of 11 European and American nations it recognized a responsibility for the leadership of a world devastated by World War II and newly threatened by the rising power of Soviet communism. The change was more than symbolic. The promise of involvement in Europe eventually included a sizable military assistance program to deter Soviet invasion, combat internal Communist subversion, and help provide a sense of security that would permit the European allies to benefit from the economic assistance begun under the Marshall Plan.

The commitment blended the new and the old in American experience. There had been a strong element of self-interest in even the most idealistic setting of the past. The support of liberal maritime provisions in international law served the merchant marine of a weak new nation in the 18th century, and the extension of American economic and cultural missions to China in the 19th century was expected to result in increased commerce for Americans. In the 1940's the revival of a Europe shattered by war ultimately benefited the United States, too, while Western Europe's continued independence of Soviet power served as a buffer against the spread of Communist ideology. Generous as all the aid programs were, they were also expected to protect and advance U.S. interests.

But the foreign assistance programs tapped a vein of altruism among Americans that was as old as John Winthrop's "city on a hill." America would be the example to the world of the good society. It had a mission to help others to achieve this state of happiness and prosperity. This mission would be realized not only in the granting of food to starving peoples and of military equipment to defenseless nations; it would also be achieved by conferring the advantages of America's unified economy and society upon divided allies. To many Americans, this was an imperative underlying American effort to persuade

Europeans to cooperate among themselves on behalf of a future united states of Europe.

The plans for foreign aid and military security of the 1940's differed markedly from the past in the extent of American leadership and in the unequal relationship between grantor and beneficiary. The United States was a dominant power. Moreover, it perceived a challenge from the Soviet Union which it felt had to be met with more force than it had ever found necessary to muster in the years when Great Britain commanded a world empire. The consequence was the allocation and exploitation of enormous resources in a manner that manipulated or influenced the fortunes of allies and enemies.

Whether the Soviet Union was an aggressive power seeking the destruction of the West in the postwar period or whether its posture was a defensive response to the searing experience of the Nazi invasion during the war, the question of a U.S. hegemony after the war remains a matter of debate a generation later. Was the policy of military assistance as much a part of atomic diplomacy designed to intimidate the Soviet competitor and assure U.S. economic control over the world as it was the product of an increasing sense of responsibility for the protection of freedom for the United States itself and for potential victims of Communist oppression? Indeed, there is still a question whether U.S. policy represented rational decisions on alternative programs, impulsive reactions to external circumstances imposed on harassed policy-makers, or products of bureaucracies running on their own momentum.

Whatever the motives behind American actions, the changes effected by the U.S. decision to act soon become evident. Following the announcement of the Truman Doctrine in 1947, the Administration reorganized the structure of U.S. foreign relations. The military component, with fresh experience of military government in World War II and pleased by the prospect of an important role in a military assistance program for Greece and Turkey, formally became a partner in making and executing foreign policy. The Secretary of Defense was an equal of the Secretary of State in the new National Security Council. Assistance abroad became institutionalized through the Economic Cooperation Administration of 1948 (ECA), the Mutual Defense Assistance Program of 1949 (MDAP), and the Mutual Security Agency of 1951 (MSA). Passage of the Vandenberg Resolution in 1948 and membership in the North Atlantic Treaty Organization (NATO) in 1949 dramatized the Nation's concern with Western Europe's collective decision to resist Communist penetration.

This study begins with a clarification of the relationship between U.S. military and other agencies involved in developing a military assistance program designed to build an Atlantic Alliance between 1948 and 1951. The dominant issues concerned more than internal bureaucratic rivalries; they affected the direction taken by NATO. The larger questions to be asked center on the role of the Military Assistance Program (MAP) in adapting the separate political, economic, and military policies and practices of the Allies to the common welfare of the North Atlantic Treaty Organization. What were the differences between the priorities of the Department of Defense* and those of the Department of State and of the Economic Cooperation Administration? What were U.S. positions on vital matters of military assistance as opposed to

*The War Department was renamed Department of the Army and became a part of the National Military Establishment (NME) in 1947; in 1949 the NME was renamed Department of Defense. In this study the military establishment is referred to as the Department of Defense for the entire period.

positions of its allies in NATO? How successfully were the differences resolved, internally and externally? Whose advice predominated within the U.S. Government and within the Alliance? In retrospect, how wise were the judgments of the military statesmen? What verdict may be rendered today on the end products of the Mutual Defense Assistance Program?

Conception and realization of the Military Assistance Program need not be equated with imperialistic design—or, indeed, with any kind of design. Without preparation provided by experience or by an institutional infrastructure, the policymakers of the 1940's had to cope with the implications of their perception of a Soviet Union hostile to Western ideas of polity and society and threatening a prostrate Western Union vulnerable to Communist pressures. The fear of a Soviet continent was genuine after World War II. The United States, after witnessing and participating in the deadlock in the United Nations from 1946 to 1948, gradually overcame the temptation to retreat into its familiar shell of isolationism and groped for means to deal with the defense of Europe. In the process, its leaders tapped a sense of mission which in the past had been used to celebrate the separation of a virtuous America from a sinful Europe. The United States was transformed from a passive model for others to emulate into an active participant in the service of peoples struggling for survival. The American mission would be more than a "beacon lighting the way to political and individual freedom," as Frederick Merk expressed it¹—it would be a sword and shield protecting the United States by guarding those who shared its values.

Foreign Aid Preliminaries, 1945–1947

The result of changing views was not a full-blown program of actions but a series of loosely connected reactions to Soviet behavior toward neighbors in Eastern Europe or Soviet collusion with Communist parties in the West. The formulators of U.S. foreign policy had to be sensitive to pressures other than the possibility that a Soviet tide would sweep Europe. They were equally aware of pressures at home from those who felt that Soviet power could not be resisted successfully or should be resisted only within the framework of the United Nations, or even that the beneficiaries of potential protection were not worthy of American sacrifice. The older assumptions about U.S. invulnerability contributed to these attitudes. It required at least 2 years of searching for ways to coexist with the Soviet Union before the Truman Doctrine of containment emerged, and a few more years, which saw the fall of Nationalist China and the Korean War, before the doctrine was extended to all parts of the globe. In the course of this evolution, policymakers turned their anti-Communist policies into a crusade to win the popular support needed to overcome the weight of traditional isolationism.

While the symbolic meanings of a treaty commitment to Europe were vital to the recovery of Europe's sense of security, U.S. dollars, materials, arms, and men were equally vital to a successful European response to the Communist threat. But the treaties which generated major aid programs required counterpart activity on the part of beneficiaries as a precondition to assistance and U.S. promise of association. They would use aid as efficiently as possible;

they would work toward the unity of Europe to achieve a new political and economic order there, patterned after the American experience. The mission of America, then, as expressed in military and economic assistance was not only the preservation of the Allies' physical integrity from Communist subversion or Soviet attack but also the salvation of their spirit within some form of a united Europe.

Innovative, even revolutionary, as the implications of this relationship were, foreign aid itself was not new to the American tradition. It went back in the private sector to missionary enterprises reaching from Turkey to China, and in the public sector to activities ranging from financial services for Persia to agricultural engineering in Latin America and the Philippines. What distinguished most of these activities from their closest European counterparts was their relative freedom from self-consciously imperialist motives, at least toward those outside the American hemisphere.² The massive loans to Europe during and after World War I provided vital support to the Old World, although at a price that chilled relations between benefactor and beneficiary to mutual disadvantage in the years before World War II.³

A more immediate precedent emerged from World War II in the monumental effort of the lend-lease program to Allies and in American leadership of relief activities of the United Nations Relief and Rehabilitation Administration after the defeat of the Axis powers. In both circumstances U.S. aid manifested either a national interest or a form of noblesse oblige rather than the business ethic which had influenced the war and postwar loans of a generation before. While repayment to the United States was reflected in the transfer of bases and other reciprocal assistance, lend-lease nonetheless was indeed "a most unsordid act," as Winston Churchill characterized it.⁴ If it was generous in its spirit and enlightened in its intelligence, U.S. aid in World War II was never simple charity; it was based on an assumption that the welfare and very possibly the survival of the United States rested on the survival of Western Europe.

Such was the setting for the Truman Doctrine's initial premise: To provide U.S. assistance for the rescue of Greece and Turkey from internal subversion and external harassment. This inevitably involved military expertise and the intimate entanglement of the Department of Defense in a quasi-diplomatic relationship with the recipient nations. The necessary arms required supervision and maintenance, while their users required training. In discharging these functions, U.S. military personnel operated outside normal channels of diplomacy. The unprecedented nature of their presence in Greece and Turkey required a delicacy in relations with the more traditional managers of foreign relations, the Department of State, and the American embassies, as well as with the host countries.

Military figures were not unknown in diplomatic circles. Army and Navy attachés had been longstanding members of ambassadorial entourages. But when their duties were not ceremonial, they were usually marginal to the mainstream of diplomacy. The meshing of military with political considerations in statecraft had begun but had not been completed in the course of World War II, even though the responsibilities of conducting global coalition warfare had given military officers political and diplomatic experience unique in American history. On one level, this experience was gained in military government established temporarily by the armies advancing into central and southern Europe. On another, it was developed in the orchestration of the

invasion of the Continent in 1944, which required the exercise of superior diplomatic talents by the Supreme Commander as he dealt with the Allies. Such was Dwight D. Eisenhower's role in England. It dwarfed in importance the work of John G. Winant, the U.S. Ambassador in London during the war. The success of the military as diplomatists in wartime helped to account for the postwar prominence of such military statesmen as Walter Bedell Smith, Ambassador to the Soviet Union; Lucius D. Clay, Military Governor of the U.S. zone in Germany; Douglas MacArthur, the proconsular Supreme Commander for the Allied Powers in Japan; and, most notably, George C. Marshall, Secretary of State and Secretary of Defense.⁵

No formal structure existed to accommodate the new duties which the United States had assumed in foreign affairs. Such agencies as existed after the war had grown out of specific needs of the moment. The State-War-Navy Coordinating Committee (SWNCC), for example, was established in 1944 to coordinate, among other activities, the functions of the participating agencies in the management of military government in occupied territories.

Some of the urgencies of wartime persisted as the Cold War settled on Soviet-American relations. A new instrument was needed to rationalize the activities of all the organizations whose activities touched on foreign relations. Although it was a coincidence that the year of the Truman Doctrine was also the year of the integration of foreign, military, and domestic policies relating to national security, the forces that led to one were largely the same as those that produced the other. The National Security Act of 1947 created the National Security Council (NSC), composed of the President, the Chairman of the National Security Resources Board (NSRB), and the Secretaries of State, Defense, Army, Navy, and Air Force, to harmonize foreign policy at the Cabinet level. Aside from advising the President on the integration of the many elements required for the security of the Nation, the NSC by law was instructed to assess foreign policy in light of the Nation's military strength. The military departments were reorganized at this time and the Central Intelligence Agency (CIA) was established. In the Department of State, a Policy Planning Staff began operations under George F. Kennan. Policy planning for the United States had arrived.

Since the primary force propelling change in the Truman administration was the perilous world scene, the military's role among the new agencies assumed a special importance. Consequently, the Department of Defense could be expected to exercise greater weight than other agencies in the debates over the nature and the application of assistance abroad. How foreign military aid would fit the larger purpose of foreign policy became a natural subject of contention between State and Defense. But since military aid was to be offered in conjunction with economic aid, the agency charged with administration of economic assistance, the ECA, became a third party in these deliberations.

Although the imperatives pushing the Administration appeared to be primarily military, they were never wholly military, and hence the Department of State as historic conductor of foreign relations enjoyed the advantage that tradition provided in the maneuvering for influence. The charge of militarism could still disturb a public opinion respectful of the achievements of individual military men. It is worth noting that the arguments for economic aid in the early days of the Cold War found a warmer reception in Congress than did military aid. Isolationists worried about both waste and entanglements ensuing from a military commitment. Some internationalists tended to focus on the incompat-

ibility between military aid and the intended purpose of the United Nations to eliminate war. The natural advantages in the competition among governmental agencies which the military departments normally would have enjoyed in wartime were diminished by the fact that the war was now cold rather than hot.

The Truman Doctrine— Greece and Turkey

The Truman Doctrine set in motion a massive foreign aid program to Europe. President Harry S. Truman, for whom the doctrine was named, stated the reasons clearly in his message to Congress on 12 March 1947:

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

* * * * *

I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.⁶

While military aid was not considered primary, it was nevertheless at the heart of the assistance planned for Greece and Turkey. Economic aid to revive the economies of both countries had to yield to the demands of a military peril more immediate and more serious than the economic crisis. The U.S. Military Assistance Advisory Group (MAAG) in Greece became a model for the distribution of military materiel and the training of military personnel in a recipient country. It also presaged an important military voice in the management of aid in which military meshed with economic, and both with the purposes of U.S. diplomacy.

The Marshall Plan, projected at the Harvard commencement of 5 June 1947, provided another major influence on the future military assistance program. It stressed the importance of Europeans helping themselves through expanding their own resources and cooperating with their neighbors as a prerequisite for American help.⁷ The Marshall Plan, then, would not only promote greater efficiency in the use of funds but also accelerate the restoration of a united Europe in close relationship with the United States. Some critics at the time and over the next generation attempted to differentiate between the bilateral military emphasis in the Balkans (which they disliked) and the economic reconstruction of a cooperative continent envisaged in the Marshall Plan (which they liked).⁸ Others saw a conscious purpose in the subordination of the economic to the military, as economic aid was pushed aside in favor of Cold War objectives. Truman's statement that the Truman Doctrine and the Marshall Plan were "two halves of the same walnut" assumed a pejorative meaning to these critics.⁹

Economic and military aid could be related in a different manner. Unlike the situation in Greece or Turkey, the military threat to Western Europe from the Soviet Union was less pressing in 1947 than the prospect of mass starvation and freezing with the consequent ruin of whole economies. As Richard Bissell has observed, "The disastrous winter came as a climax to a rapidly deteriorating economic situation. The threat was that the fabric of the West European

economies and societies would come apart." There was an urgent need for a huge increase in the flow of imports to Europe to be paid in dollars that would supply the working capital. Unless the economies could be made to function again, a Communist takeover could occur without resort to external invasion or internal subversion. A strong economy would give strength to those who would defend themselves against the Communist alternatives.¹⁰ But if military threats appeared less evident in 1947 in France and Italy, they were never out of mind. Ultimately, as the experience in Czechoslovakia was to show in the following year, there could be no economic revival without some kind of political security. Economic aid, military support, and diplomacy all served the same cause.

New commitments also revealed fissures in the links between old and new U.S. agencies, between the special aid missions and the traditional embassies, between the civilian and military outlook on problems. Many of these differences were to trouble the U.S. experience with assistance to the NATO alliances as well. In some ways, of course, the situation in Greece, and to a lesser extent in Turkey, was simpler. The solutions were more readily at hand. The mission was clearcut in Greece. To the American planners of 1947, world communism had chosen Greece as its target, with Greek Communists as the agent. Hence the United States had undertaken to arm, train, and supply a successful Greek resistance to Communist subversion. The absence of a requirement for official Greek reciprocity further simplified the situation. The aid itself would be increasingly military. The \$300 million allotted for the economic rehabilitation of Greece was quickly shifted to the hard-pressed Greek Army, barely able to hold its own against the guerrilla forces. Such was the situation when the first U.S. supplies reached Greece in the summer of 1947.¹¹

U.S. military assistance to Greece unfortunately involved the irritation of Greek political sensibilities. Given the disarray in Greek political life and the power of America's response, the reduction of Greek politics to an adjunct of U.S. military policy was almost inevitable. It was made all the more so by uncertainties in the U.S. attitude toward Greece. Until the very end of 1946, Greek affairs hovered on the edge of the American horizon, "unrelated to broader issues and international conflicts," as John Iatrides has stated.¹² The Greek burden belonged to the British until it was abruptly transferred to the Americans in the winter of 1947.

The U.S. abstention from political positions on Greece before 1947 stemmed less from naivete or innocent isolationism than from design. The presence in Greece during World War II of agents of the Office of Strategic Services had provided the United States with adequate information about events unfolding in that country. Abstention after the war had been an official decision on the assumption that the British would resume their traditional position in the area. Only when the British surrendered their obligations in the face of a Communist effort which they could not cope with did the U.S. position change. It changed radically in 1947, as Greece became of interest to policymakers trying to cope with the global problem of containment. "Like apples in a barrel infected by one rotten one," noted Under Secretary of State Dean Acheson, the corruption of Greece and Turkey would infect Iran and other countries to the east. It would also carry infection to Africa through Asia Minor and Egypt, and to Europe through Italy and France.¹³ In this version of a domino thesis, the civil war in Greece and the Soviet intimidation of Turkey

could make possible a Communist breakthrough in three continents. Ambassador Lincoln MacVeagh, on the scene at Athens, expressed himself in much the same language in February 1947: "If Greece falls to communism the whole Near East and part of North Africa as well are certain to pass under Soviet influence" ¹⁴

When the United States dramatically changed its perception of the Balkans, it identified Greece as an arena of international conflict rather than as an ally in the struggle. The inevitable result was U.S. intrusion into the internal affairs of the Greek Government and discord among Americans over which agencies should exercise primary authority. No alternative to U.S. "involvement" seemed possible if Greece was to be saved from communism. As expressed in a SWNCC document of March 1947, "It is the only way in which Greece could be saved. It is much cheaper for the United States to take action to preserve free governments in the world than it will be to use troops later to maintain our security." ¹⁵

Many of the implications of U.S. involvement might not have been realized had the military plight of Greece been less stark in 1947. The immediate needs were quartermaster supplies more than ordnance, and many of the gaps were filled by shifting surplus stocks from other parts of Europe into the Greek void. By the end of 1947, total shipments of military supplies reached an estimated transfer value of \$40 million for 147,000 long tons. ¹⁶ The fear that it was not sufficient to stem the guerrilla tide lent urgency to the genuine sense of emergency. The perception of crisis by the men on the scene was transmitted to Washington and exercised a great impact on policymakers.

The rebuilding as well as the supply of Greek armed forces remained a prerequisite to the success of the U.S. program. A year later, in 1948, the National Security Council reported to President Truman that the "efforts of the Greek National Army to defeat the guerrillas are hampered by lack of offensive spirit, by its defensive dispositions, and by political interference." ¹⁷ This pervasive skepticism about the ability of the Greek forces to perform adequately and about the Greek Government's prospects of rising above apparently petty jealousies pushed Americans into the thorny thicket of Greek military politics. From a modest role of supplying Greek forces with surplus equipment and instructing them in its use, the U.S. Military Assistance Advisory Group moved progressively into battle as advisors to Greek Army units in combat. ¹⁸

The United States found itself in the midst of Greek domestic politics as well. It meant to furnish the leadership the Greeks could not provide for themselves. There is evidence that Dwight P. Griswold, former Governor of Nebraska and Chief of the American Mission for Aid to Greece (AMAG), sought to have a new government drawn from a wide spectrum of center candidates. Griswold felt that rightist politicians alone would not do; the United States should "try to build up the leadership of moderate and intelligent liberals." ¹⁹ Yet the end product of this concern was priority to whoever and whatever seemed to work at the moment.

More than friction with Greek politicians followed. Griswold's efforts at shirtsleeve diplomacy, no matter how well intentioned, collided with the more traditional mode of diplomacy. Ambassador MacVeagh had the task of preserving a facade of Greek self-government and of making the American presence in Greece discreet if not invisible. This effort could no more succeed in the face of the military imperative of a nation at civil war than could the plans

of Paul Porter, Chief of the American Economic Mission to Greece, to restore the Greek economy in the face of the urgent problems of the Greek Army. MacVeagh sought to coordinate all U.S. policy in Greece under the State Department and did not succeed.

Within a month of his appointment in 1947 as head of the Presidential mission furnishing military assistance to Greece, Griswold had threatened openly to cut off aid to the Greeks. MacVeagh tried to calm both sides.²⁰ As far as Griswold was concerned, U.S. support could be made effective only by expanding military assistance to include operations, far beyond the original intention of filling gaps in the Greek defense. And to do this he used economic leverage as a club to force Greek leaders into a broad coalition. While Griswold knew that MacVeagh disapproved of his actions, he also knew that the Ambassador lacked the "club" he held to effect the needed changes.²¹

But the State Department's problems surpassed those of Governor Griswold. When both the Greek Government and Griswold recognized that U.S. aid would have to move from military logistics into the area of operational and planning advice, a study of Maj. Gen. Stephen J. C. Chamberlin, USA, recommended that a new group of officers be sent to handle this problem; it would report directly to the Joint Chiefs of Staff (JCS) rather than to AMAG.²² This had not been Griswold's expectation, but the State Department hoped to turn the change to its advantage. Agreeing that the expanded functions of the military mission would not fit the limited objectives of Griswold's mission, MacVeagh urged that the new and old missions be coordinated under the Ambassador "in the country where he alone has representative capacity."²³ Such a clear directive would answer Premier Constantine Tsaldaris's question whether "High Commissioner" Griswold or Ambassador MacVeagh spoke for the United States.²⁴

The attempt to elevate State to preeminence among Americans in Greece failed. MacVeagh left Athens on 11 October 1947 and was transferred to Portugal the following spring without ever returning to Greece.²⁵ On 3 November the President approved the establishment of an Advisory and Planning Group of more than 100 officers and men under the military section of AMAG.²⁶ And with the failure of the State Department to maintain its authority in Greece went the flimsy veils around the visibility of the American presence. Griswold and Maj. Gen. James A. Van Fleet, USA, joined Greece's Supreme Defense Council, the organization which, according to Iatrides, "for all practical purposes ruled Greece during the Civil War."²⁷

Turkey's problems, while substantial, were of a different order and susceptible to different treatment. Military aid centered on the improvement of communications and logistical facilities to provide greater mobility of Turkish forces rather than repulsing an immediate threat of subversion or invasion. There was no civil war or rebellious province, so the program could be initiated more deliberately and more painstakingly than in Greece. The MAAG was organized on 5 August 1947, with the aid group under the U.S. Ambassador to Turkey, who acted as head of mission. The absence of a figure such as Griswold and the concomitant problems which his role in Greek politics produced was due both to Turkey's relative freedom from imminent disaster and its tradition of independence of foreign control. Turkey's position differed considerably in both respects from that of Greece; Turkey had not suffered as a pawn among great powers since the early days of Ataturk in the 1920's.²⁸

The Truman Doctrine— The Marshall Plan

The role that the United States assumed left no alternative but to interfere in the internal affairs of the client nation. This was to be as true for the economic recovery program as it was for the Military Assistance Program in Greece and elsewhere, even though its expression was more subtle in Western Europe. Senator Henry Cabot Lodge, Jr., of Massachusetts spoke of its inevitability. Reporting his perception of Griswold's activities in Greece in the summer of 1947, Lodge observed that the American mission chief was "doing the biggest business of anybody in Greece, and he could have the biggest payroll and have the biggest impact on the economic affairs of that country right up to his neck." At the same time Lodge made it clear that while it made no sense to claim that the United States opposed interference, it made no more sense to avoid interference when the stakes for both the United States and its beneficiary were so high.²⁹

Lodge made the connection between the Greek aid program and the larger concerns of the Marshall Plan. If the Greek experience was meaningful, he commented hyperbolically, it would be the prelude to "the biggest damned interference in internal affairs that there has ever been in history."³⁰ Moreover, the fact that Greece was to be placed within the framework of the new ECA inevitably raised the issue of a military role in the economic aid program. Administration spokesmen emphasized service of military aid to the larger cause of Greek recovery. "The two are directly related," George C. McGhee, coordinator in the State Department for aid to Greece and Turkey, testified in executive session on the ECA bill. "You can't permit an increase in the Army without an immediate economic impact. You can't sustain the military effort without sustaining the Greek economy."³¹ Greece and Turkey ultimately were identified as Title III of the Economic Cooperation Act of 1948.

In the conception of the later Mutual Defense Assistance Program and Mutual Security Agency, the machinery putting the Marshall Plan into effect provided a more useful model than did the unilateral special emergency efforts in Greece and Turkey. The economic recovery program initially emphasized the demonstration of self-help and mutual aid among the European recipients of U.S. assistance. Relief aid was a stopgap that worked only for the short run. There had to be a coordinated program to which all contributed, a purpose that was almost universally recognized in the West in 1948.³² The program involved mutual sacrifices which would lead not only to recovery but also to the permanent removal of old barriers to trade and manufacture. In the Greek and Turkish aid programs there had been no reciprocation demanded beyond the advantage accruing to the United States from an effective use of aid and from continued Greek and Turkish freedom from Communist control.

The element of reciprocity existed, however, throughout the experience of the Economic Cooperation Administration. Two months before Secretary of State Marshall opened the way for the program, a special ad hoc committee of SWNCC observed on 21 April 1947, "The security of the United States is concerned not only with the dangers which threaten a free country, but also with the effect which those dangers may have on other countries."³³ Among them was the potential loss to friendly nations of vital strategic materials such as oil and metals.

An ultimate goal in the recovery program also reflected American idealism. Whether or not the United States would be a full or partial member, the Organization for European Economic Cooperation (OEEC), formed in 1948 to help guide the ECA, was setting the stage for a new united Europe.³⁴ The developing European community would be the focal point around which closer Western European cohesion could be built.³⁵ Europe would look to the experience of the United States for its answers as it established, according to W. Averell Harriman, the U.S. Special Representative in Europe, the "same broad expanding trade area in Europe which the United States had found so productive within its boundaries."³⁶ Title I of Public Law 472 explained U.S. intentions: "Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers," the Nation wished for the same advantages to "accrue to the countries of Europe."³⁷

The challenge derived from the finest missionary instincts of the United States. Europe was to be reformed as well as rescued, and if, as some interpretations have had it, its institutions should be distorted in the process and its economies and politics transformed into cogs of an American empire, the resultant freedom from Communist tyranny and emergence into a better way of life should more than compensate for any losses the changes would bring. Such qualms as Senator Lodge had expressed about interfering with foreign nations were swept aside by the fact that the beneficiaries accepted this interference voluntarily.³⁸ The seeds of both the Western Union and the North Atlantic Treaty Organization were sown in the plans for the European economic recovery.

The experience of the ECA as an independent governmental agency with a coordinating office in Europe anticipated the organization of the Mutual Security Program of 1951. The Department of State attempted to identify a policy role for itself on the grounds that economic or military policies were serving the objectives of foreign policy. Its efforts to secure the organizational forms that it believed to be the most desirable failed in 1948 and in 1951. Congressional hostility, fed by charges of softness on communism, proved too strong both times. Such hostility was reflected in Senator Arthur H. Vandenberg's rejection for administrator of the Marshall Plan, first, of William L. Clayton, Under Secretary of State for Economic Affairs, and then of Dean Acheson, former Under Secretary.³⁹ Vandenberg's choice, and ultimately the President's, was Paul G. Hoffman, president of the Studebaker Corporation, who was untainted by connections with the State Department. An independent administration would be not only relatively free from control by the foreign policy establishment but also more open to congressional observation.⁴⁰ State could salvage from this situation only an assurance that the Secretary would be kept fully informed of the proceedings of the new agency.⁴¹

Given the precedent of the ECA, it is all the more a tribute to the persuasiveness of the President and Secretary Acheson, as well as to the relatively calm relations at the time between Congress and the State Department, that the Mutual Defense Assistance Program of 1949 was lodged in the office of the Secretary of State. In this new program, the Department of Defense entered as a third party, and State assumed the role of coordinator both in Washington and in U.S. missions abroad.⁴² The program was directed by James Bruce as Director for Mutual Defense Assistance, while the European

Coordinating Committee (ECC)* and the country teams came under the supervision of ambassadors. The imperatives of maintaining harmony and coherence between the economic aid programs and the new Military Assistance Program elevated the coordinating functions of the State Department.

This arrangement lasted only 2 years. When the ECA phased out in 1951, its successor, the Mutual Security Agency, assumed the economic functions. As Director for Mutual Security as well as head of the MSA, W. Averell Harriman was co-equal with the Secretary of State. Congress had been increasingly uncomfortable with a program that vested control in one office but left the operating functions in the hands of the Department of Defense and the ECA. The high level of emotion in the attack against the State Department generally and against Acheson specifically in the intervening years narrowed the choice of organization in 1951. While the chiefs of U.S. diplomatic missions abroad continued to coordinate the country programs, Harriman became the Director for Mutual Security in October 1951 for many of the same reasons that Paul Hoffman had become administrator of the ECA 3½ years before.

The Military and the Foreign Assistance Programs

In none of the various assistance programs undertaken by the United States in the Cold War did the Department of Defense become the directing partner among the executive agencies involved. Even the Mutual Defense Assistance Program did not bring forth a director from the Defense Department, in or out of uniform. Despite the unpopularity of the Truman-Acheson leadership at the time of the fall of China and the invasion of the Republic of Korea, the Department of Defense did not take the leadership in determining priorities among military, economic, and political objectives. The U.S. military, with concerns distinct from the specific purposes of economic recovery and occasionally conflicting with political realities, never secured formal precedence over other agencies of the executive branch in military aid programs.

Yet the military threat of Soviet power was more influential than the economic and political chaos left by World War II in shaping U.S. assistance to Europe. And in the MDAP and MSP representatives from the Defense Department had the responsibility to supervise the use to which the aid was put as well as the procurement of the materiel. As the military rebuilding of Europe progressed within the Atlantic Alliance, the judgments of military men grew increasingly important. Ultimately, they affected the economies of the Allies and the nature of their domestic political problems.

Although the termination of the ECA and the establishment of the MSA in 1951 underscored the predominance of military aid in the post-Korean War plans of the United States, the military factor had always been present, no matter how carefully policymakers might have attempted to conceal it from time to time. Critics from the left seized on the connection immediately and

*The ECC consisted of the U.S. Ambassador at London, Chairman; the U.S. Special Representative in Europe; the U.S. Representative to the Western Union Chief of Staff Committee; and the U.S. Representative to the Military Supply Board.

carried it to the predetermined conclusion that economic aid would be a stalking horse for the U.S. military and economic conquest of Europe. Henry A. Wallace, Presidential candidate of the Progressive Party in 1948, condemned the economic recovery program as "the economic side of the bankrupt Truman Doctrine. It would be the beginnings of a military alliance that would doom whatever worthwhile objectives the Marshall Plan might have otherwise claimed."⁴³ Wallace's charge struck a sensitive nerve in the Administration. Whenever possible, an answer was evaded, but since the Greek and Turkish aid programs had been incorporated into the ECA, evasion was difficult. The Greek experience in particular could be cited as a prototype of an economic recovery program overtaken and overwhelmed by the priorities granted to the armed forces of that country. What was surprising, however, was not the surfacing of the issue, but the infrequency of its appearance during the extensive hearings before Congress in 1947 and 1948.

But no Administration witness and no congressional questioner seemed willing to project future meaning into the interrelationship of military and economic aid. It was left to a private citizen, Bernard Baruch, to piece the two together in a fashion that embarrassed the Administration at the moment but voiced many of its sentiments for the future. The United States, he asserted, must take a unified effort in both areas, combining the two kinds of aid, to create a "general staff for peace." The country "should pledge itself to come to the defense of these uniting nations in case of aggression. Let us not shy from stating now what we intend to do before any would-be warmaker has yielded to the temptation of aggression."⁴⁴

The Administration chose to speak elliptically in public. It feared that any open recognition of the military plight of Europe would weaken the arguments for economic aid and arouse both isolationists, worried about foreign entanglements, and internationalists, concerned with maintaining the United Nations as a peacemaker. The Administration was prepared to suggest that the economic stability to be provided by the ECA was a prerequisite to military effectiveness. Moreover, there was the present to consider. Secretary of the Army Kenneth C. Royall won headlines on 15 January 1948 when he warned that without the economic recovery program "the Army and its budget should be measurably increased." Without funds for European recovery, he claimed, "we may well expect at least political aggression by totalitarian nations with ideas diametrically opposed to those of a free democracy."⁴⁵

To defend themselves from another kind of attack, Administration spokesmen translated reciprocal assistance into strategic materials and base rights. Public Law 472 itself provided for "facilitating the transfer to the United States . . . of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources."⁴⁶ The National Security Resources Board had pointed the way to this arrangement by its caveat in a report to the President in December 1947 that "strategic and critical materials as such on the Munitions Board's list should not be supplied in quantities that would dangerously deplete our reserves." Rather, the European Recovery Program (ERP) should be used to develop foreign sources of supplies.⁴⁷

While the Administration wanted this objective to be understood by Congress, it did not want the relationship between U.S. aid and European materials or bases to be quid pro quo. For the most part, the subliminal portion of its message succeeded. There was one embarrassing moment which

developed from Senator Alexander Wiley's interrogation of Secretary of Defense James Forrestal on the reasonableness of the European beneficiaries granting the United States the use of bases for mutual protection. Forrestal tried to satisfy this questioner without a direct answer, and came up with the observation that "the redressing of the imbalance was paramount even to the acquisition of bases, because without a flourishing Europe we should have to, in my opinion, have bases of such a number over the world that, without any supporting friends, it would be a very difficult job for us to maintain them." The tortured syntax of the statement allowed it to be interpreted as a sign of the Administration's intention to exchange aid for bases. A press release from the State Department claimed that Forrestal was misquoted, and that acquisition of military bases in exchange for economic assistance to European countries was neither provided for in the present bill nor contemplated in the future.⁴⁸

The task of minimizing the military presence in the economic aid bill may have been politically vital for its passage, but it was made more difficult by the intrusion of external events. While hearings on the ECA proceeded, some of the future recipients of aid had taken steps to organize a political union to parallel efforts they had begun in economic cooperation. The British Foreign Secretary, Ernest Bevin, with the strong support of Georges Bidault of France, had conceived a Western European political alliance in the winter of 1948; they desired a U.S. role in it that would be more entangling than anything projected in the European Recovery Program.⁴⁹ While Administration witnesses were publicly denying military or political implications of the ECA, they were listening to British and French arguments that there could be no economic security without military security. The Western Europeans wanted U.S. membership in their alliance to assure those objectives. They failed to win it at the time, but the message from Europe registered with the American officials. Only the exigencies of American political life, notably the putative power of the isolationist tradition, stayed the American hand in Europe.⁵⁰

The Communist coup d'etat in Czechoslovakia and the mysterious death of Jan Masaryk, the pro-Western Foreign Minister, shook the U.S. position in March 1948 as it shook Europe's already fragile sense of security. At the very time the ECA hearings before Congress reached a climax, American policymakers felt themselves confronted with the realization of their worst fears. If an advanced industrialized Czechoslovakia could succumb to an internal Communist minority, would not a divided France and Italy be equally vulnerable even if restored to economic health? In the same month, they had received an urgent telegram from General Lucius D. Clay, the U.S. military commander in Germany, forecasting a dramatic change in the Soviet position on Germany.⁵¹ The Berlin blockade was in the making.

The combined weight of these events culminated in a European effort to embrace the United States in a political alliance cemented by military assistance at a level equal to the economic aid then being processed in Congress. On 17 March, five European powers signed the Brussels Pact creating a political and military alliance of 50 years' duration. Their hopes for a U.S. attachment were buoyed by a strong Presidential statement on the day the treaty was signed. Truman not only recast a conventional St. Patrick's Day address in New York that night, but also went to Congress earlier that day to report to a joint session that "the United States will, by appropriate means, extend to the free nations the support which the situation requires."⁵²

Given the presumed power of the isolationist tradition, the means of support at that moment could not be membership in an entangling alliance.⁵³ But a way of fulfilling the pledge might have been an enlargement of the ECA, to include a Title VI consisting of military assistance. The prospect of a new lend-lease program circulated in Washington throughout the spring of 1948.⁵⁴

That a coherent program of military support came to life so much more slowly than the economic counterpart testified to the problem at home which the Administration encountered with military assistance. Emergency aid to Greece, Turkey, or Iran was no problem. But the inauguration of an extensive armament program invited charges of all kinds — that the action would provoke the Russians to war, that it would squander U.S. money and resources on an ungrateful Old World, that it would sabotage the European Recovery Program, that it would destroy the mission of the United Nations. Although many of the complaints were contradictory and came from conflicting constituencies, they all had to be reckoned with. So did the internal obstacles within the Administration among military authorities concerned about the weakening of the national defense structure, among ECA officials worried about the sacrifice of economic aid to the claims of military aid, and among ambassadors witnessing their traditional positions as chiefs of mission undermined by rival missions of military and economic specialists.

In the face of all these challenges, including a Presidential election in 1948, the Administration moved ahead with the integration of America's defenses with those of Europe. It sought the establishment of a stable West strong enough economically and politically to withstand the blandishments and threats of communism and strong enough militarily to counter the weight of the Soviet Army. If this new world was to materialize, it would have to express a shared sense of the interdependence of nations through the transfer of some of the functions of national sovereignty to new international bodies. The program confronted a number of risks — the support of repressive regimes within the West, the burden of allies unable to cooperate among themselves, and the misuse of military aid by beneficiaries. And even if these prospects did not materialize and the Alliance blossomed, there was no assurance in 1948 that Communist military or political actions would not destroy the plans before they had fully matured.

Whatever the shortcomings of the goals and methods, the program shaped in 1948 and 1949 offered Americans and Europeans a glimpse of a future free from the terrors of the present and a positive way of achieving this happier condition. The fundamental questions would center on the political frame within which the United States would achieve identity with Europe. In the meantime, the initial problems loomed larger than the rationale of the programs' objectives. The most urgent and most difficult was the beginning itself. What would be its cost, who would be the recipients, how would priorities be established, and which agencies would govern—these were questions that had to be addressed before the Military Assistance Program could be launched.

CHAPTER II

Military Assistance and the Beginnings of the North Atlantic Treaty

Western Union as Catalyst

There was a causal connection between the Communist coup in Czechoslovakia in February 1948 and the creation of the Mutual Defense Assistance Program over a year and a half later. Alarmed by the fate of the Czechs, five Western European powers—Britain, France, the Netherlands, Belgium, and Luxembourg—signed the Brussels Treaty on 17 March 1948, laying the basis for collaboration in economic, social, cultural, and collective self-defense matters. Significantly, President Truman on the very same day hailed this treaty in an address before Congress as “a notable step in the direction of unity in Europe for protection and preservation of its civilization.”¹ This movement toward mutual defense planning was the catalyst needed to produce U.S. assistance. Western Union would be the political and military counterpart of the Organization for European Economic Cooperation (OEEC). Just as the latter had coordinated Europe’s economic policies for the efficient use of dollar aid under the Marshall Plan, so Western Union made it possible for U.S. planners to work out a balanced military aid program for the European community as a whole.

Such planning was an extension of Department of Defense activities. Despite the denials about links between military and economic aid which Defense officials had made publicly at hearings on the interim ECA program of 1947 and privately to Congressmen concerned with the economic plight of Western Europe, they had been plunged into such considerations by the Greek and Turkish aid programs. Questions concerning war reserves, foreign contributions to the U.S. stockpile of strategic materials, and the control of foreign bases had already been studied in the War Council,² and the fear of Communist pressure in the Balkans had forced the Joint Chiefs of Staff (JCS) to consider priorities for the State–War–Navy Coordinating Committee (SWNCC). As early as April 1947, Western Europe had emerged in these analyses as the area in which military assistance would contribute most to U.S. security. While more vulnerable at the moment, Greece and Turkey received a lower priority.³

These sober evaluations of danger points and U.S. interests provided a natural advantage for the Western Union in 1948.

After the coup in Czechoslovakia the discussions acquired a new urgency. Early in March, representatives of the State Department and the Office of the Secretary of Defense (OSD) hurriedly drafted a comprehensive military assistance bill to be added as Title VI to the Foreign Assistance Act then being considered in Congress.⁴ In the War Council on 9 March Secretary of Defense James Forrestal urged the centralization of responsibility for military aid and pointed out the need for some mechanism in the State Department for proper coordination in this field.⁵ Despite potential differences in approach, the State Department, OSD, the Army, the Navy, and the Air Force all worked together to prepare the new legislation for presentation to Congress.⁶

The framers of the Brussels Pact knew what they were doing. Their hope of engaging the United States in their enterprise had antedated the Czech crisis. John D. Hickerson, Director of the Office of European Affairs in the State Department, observed that before the launching of the Western Union Bevin had spoken to Marshall of two circles, the inner one embracing the future Brussels Pact countries, the outer one including the United States and Canada.⁷ The Europeans assumed that economic security could not be established without political and military security. Not that they sought a military assistance program equal in magnitude to the Marshall Plan. Such a program, in their view, would be ruinous to their economic objectives if it produced inflation and scarcity of materials just as their economies had begun to revive. What they really wanted was a firm U.S. commitment to their Western Union. This was what the British Ambassador in Washington, Sir Oliver Franks, had been working for since 1946. Maj. Gen. Lyman L. Lemnitzer, USA, called it "missionary work" among the Americans.⁸

In December 1947, British Foreign Secretary Bevin, under strong pressure from his French counterpart, Georges Bidault, approached Secretary of State Marshall in London with an idea for a Western system that would include Americans and Italians as well as British and French—Bevin called it "a sort of spiritual federation of the west."⁹ After some generally supportive remarks by Marshall before the Pilgrim Society in London on 12 December 1947, Bevin proposed to Parliament on 22 January 1948 a union of Western European nations that would go beyond the purposes of the Anglo-French Treaty of Dunkirk, signed earlier in 1947.¹⁰

The United States was suddenly confronted with ideas it both welcomed and feared. State Department officials recognized immediately that any such alliance would have little practical value without the membership of the United States. Theodore C. Achilles, in charge of Western European affairs in the Department of State, claimed that he and Hickerson knew from the beginning the inevitability of an alliance. As early as New Year's Eve Hickerson is reported to have said: "I don't care whether entangling alliances have been considered worse than original sin since George Washington's time. We've got to negotiate a military alliance with Western Europe in peacetime and we've got to do it quickly."¹¹

The State Department circled about the plan warily in the winter of 1948. Hickerson hailed the Bevin objective as "magnificent" but described Bevin's first step—extension of the Dunkirk Pact against German aggression—as "highly dubious." Although the recently signed Rio Pact, whereby the United States had guaranteed protection of the American Republics, was viewed as one

means of associating the United States with Europe, Hickerson also recognized that the regional aspect of the Rio Pact would require proof of compatibility with the United Nations.¹² The Dunkirk model was equally uncomfortable for the United States, since it was confined to an anti-German alliance of Britain and France and lacked all the features of self-help and mutual assistance then under discussion in the economic recovery program.¹³ State's Policy Planning Staff, under the direction of George F. Kennan, had an even more skeptical view of a military solution to Europe's troubles. The problem, as Kennan saw it, was primarily psychological, and the intention of the Soviet Union was to impose a political rather than a military decision on the West.¹⁴ The immediate response of the State Department was to refer the whole question to the new National Security Council (NSC) for further consideration before recommending any action.¹⁵

In the light of the crisis in the winter and early spring of 1948, from Prague to Berlin, it was not surprising that the NSC should urge U.S. support of the Western Union through military assistance. There was no choice, it seemed, if Europe was to resist the pressures to which Czechoslovakia had succumbed and to overcome the anxieties generated over the future of Berlin and over the possible Communist victory at the polls in Italy. Europe should be granted "the support which the situation requires," according to the President, provided Europe took reciprocal action. Although there would be no immediate U.S. membership in the alliance, the NSC wanted talks to begin which would embrace a "Collective Defense Agreement for the North Atlantic area."¹⁶ It would also include coordination of military production and supply, as the United States agreed to pursue the model of the Rio Pact in its conversations with Europeans. Here was the concept of both alliance and military assistance which was to mature into the North Atlantic Treaty and the Mutual Defense Assistance Act in the following year.

The NSC 9 recommendation had been preceded on 30 March by a position paper on the Soviet polarization of the world, from the Elbe to Manchuria. To counter this activity, NSC 7 recommended that the military potential of "selected non-Communist nations" be developed by rehabilitating their arms industries with the help of machine tools, by providing technical information to facilitate standardization of arms, and by furnishing military equipment and technical advice.¹⁷ Despite qualms expressed by the Assistant Secretary of State for Economic Affairs about the danger of ignoring the economic factors in defense, and the fears of the Secretary of Defense about the domestic need for machine tools, the movement toward both the union of Europe and military assistance from the United States went steadily forward along with the ECA bill.¹⁸

There was general concurrence in Europe. There was no quarrel with the scrapping of the Dunkirk model as long as it would be replaced with an equally firm indication of future U.S. membership in the Western Union.¹⁹ By the summer of 1948, however, the French had begun to have reservations about the Rio model, since the inter-American pact lacked precise details on military involvement and its provisions for consultation were not sufficiently responsive to the gravity of the European crisis. These doubts stemmed both from the final U.S. decision in April to omit military assistance from the ECA bill and from U.S. hesitation about its relationship with the Brussels Pact.²⁰ The Vandenberg Resolution of June did not satisfy Europeans, least of all the French.

Had the French been a party to the six sessions of the United States-United Kingdom-Canada Security Conversations which met secretly between 23

March and 1 April 1948, they might have been less disturbed about American intentions. Out of those talks emerged the "Pentagon Paper" of 1 April 1948, which set the stage for the calling of a conference to bring Canada and Western European countries along with the Western Union into a "collective defense agreement for the North Atlantic area." These talks included the possibilities of a "military ERP." It is ironic that the French were excluded as security risks when a leading participant in the conversations was Soviet agent Donald McLean, First Secretary of the British Embassy.²¹

The most visible obstacle in the path of a Rio-type pact with Europe and with a "military ERP" to accompany it were the powerful objections in April 1948 of Senator Arthur H. Vandenberg, Chairman of the Senate Foreign Relations Committee. For all practical purposes the public was personified in Senator Vandenberg. He was the "power in the Senate with whom the administration had to work," as much a shaper of policy as any of the Administration's leaders.²² He spoke for more than just his party when he expressed worries about open-ended aid to any free country of Europe and about violating obligations to the United Nations if the United States undertook the kind of alliance envisaged by the Administration in the spring of 1948.²³

The defeat of military aid plans in general and of Title VI specifically was only temporary. The United States had no choice other than to revive the momentum of planning for European defense if the morale of Europe was to be maintained. Within a few weeks of the Administration's decision to postpone action on aid and alliance, rumors of a mammoth multibillion dollar military assistance program started circulating in the press and on Capitol Hill.²⁴

Some of the rumors were so wild that Marx Leva, Special Assistant to the Secretary of Defense, was convinced that Congress would accept a \$750 million aid program. He suggested to Secretary Forrestal that the problem of early submission of MAP be brought up again with Robert A. Lovett and Charles E. Bohlen of the State Department. At a meeting at the Bureau of the Budget on 5 May, it was agreed that State and Defense should complete their work on legislation for a limited interim military aid program along the lines of Title VI of the old ERP bill. Since a high policy decision was needed immediately, the subject was then referred to Secretaries Marshall and Forrestal.²⁵

A major military assistance program, however, was not to become a reality in 1948. There existed too many doubts about the effectiveness as well as about the effect on public opinion of a hastily prepared interim program. Secretary of the Air Force W. Stuart Symington voiced the fear that such a program might reduce the possibility of enacting Universal Military Training (UMT) and Selective Service and might even affect the appropriations requests of the military departments.²⁶ After a series of conversations with State Department representatives and with Senator Vandenberg, it was decided that such additional legislation would not be submitted to the 80th Congress.²⁷ This decision accorded with the inclinations of the President and his advisers, particularly Secretary Marshall, who decided that a mixture of economic and military assistance at that time might endanger the economic recovery of Europe and lead to increased international tension.²⁸

The omission of Title VI from the Foreign Assistance Act and the subsequent cancellation of an interim plan by no means indicated an abandonment of the concept of military aid either by Congress or by the Administration. In fact, the Senate Foreign Relations Committee reported

unanimously on 11 May the so-called "Vandenberg Resolution" (Senate Resolution 239), which proposed the "association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security." On 11 June the Senate adopted the resolution by a vote of 64 to 4.

That the Vandenberg Resolution was both a compromise between European importunities and American caveats and a brief pause in the forward motion of the Atlantic Alliance seemed obvious even at the time. It reflected an inability of the Administration—and perhaps some wariness, too—to move directly and immediately toward accepting an entangling connection with Europe. ECA, inevitably, feared that economic considerations would be lost in a military buildup, while the Defense spokesmen were not yet convinced that the military departments could afford to give up some of their limited stocks.²⁹ Above all, there was widespread belief within the Administration that isolationism—the traditional fear of entanglement with Europe—was still a force to reckon with in the United States. If change were to come, it would have to be managed slowly and carefully. Thus the Vandenberg Resolution publicly trumpeted American identification with Europe, but not too close an identification; it called for military assistance but did not define it. But if it disappointed some of the potential allies, European disappointment should have been mitigated by the military conversations then being initiated, with U.S. representatives attending five-power military talks in London "on a non-membership basis."³⁰ The objective of the winter of 1948 was clearly in sight by the summer of 1948.

Further stimulus for translating this trend toward greater cooperation with Europe into a workable system came from a recommendation on 1 July of the National Security Council—NSC 14—approved by the President 9 days later. The Council suggested in this document, entitled "The Position of the United States with Respect to Providing Military Assistance to Nations of the Non-Soviet World," that the United States provide certain free nations with help in the form of military supplies and equipment under a coordinated program that would not jeopardize U.S. minimum military requirements, would not be inconsistent with approved strategic concepts, would not neglect political factors, and would not be injurious to European recovery. In addition, the NSC asked that the principle of self-help and mutual aid, as expressed in the Vandenberg Resolution, be taken into consideration in formulating legislation. It wanted the participating countries, to the maximum extent possible, to integrate their armament industries, to standardize weapons and materiel, and to provide strategic raw materials to the United States in exchange for military aid. Upon this recommendation military assistance became official government policy.³¹

But if NSC 14 indicated that the Administration had reached a decision on means for achieving a new relationship with Europe, it did not mean that the decision would be made public. The military conversations with the representatives of the Western Union proceeded under a cloak of secrecy. General Lemnitzer, Secretary Forrestal's delegate at the Military Committee of the Brussels Pact, believed that he managed complete anonymity at the Horse Guard headquarters in London.³² There would be no further importuning of Congress until January 1949, after the election. Earlier, both State and Defense representatives in London had been instructed to place their conversations

within the frame of the ERP model and to avoid the language of lend-lease, which would have been politically unpalatable to Congress.³³ So the burden of the military talks rested on the importance attached to the estimates of increased production and supply of standard equipment that the Western Union required as a collective unit. It was understood that the United States would screen only coordinated requests, with the further understanding that there would be reciprocal assistance from the potential beneficiaries "to the greatest extent practicable."³⁴

A mechanism for providing military assistance, however, did not follow easily from a declaration of intentions. The NSC report raised issues, such as the impact of a new program upon the ERP and exact definitions of self-help and mutual aid in defense, which required lengthy examination. It extended, by implication, to the question of the appropriate size of the U.S. stockpile. During the summer and fall of 1948, State, Defense, ECA, and NSRB officials independently studied their areas of responsibility, while SANACC* looked for new questions for them to explore.³⁵

The JCS in particular worried over the potential effect of a large military aid program on the Nation's global strategy.³⁶ As a consequence of their general concern, the JCS wished to hold requests from Europe at arm's length, and they expressed fears that access by the Western Union to their stockpile of equipment could impair their mission to defend the Nation. Loose construction of the term "surplus stocks" could result in an irresponsible raid on their supplies. And while the appetites of the European allies might be insatiable, their willingness to repay U.S. generosity in the form of strategic raw materials and specific base rights was suspect. General Lemnitzer recalled that General J. Lawton Collins, Army Deputy Chief of Staff, half jocularly greeted him with the comment, "Lem, I understand you're up there doping out all the equipment that you're going to take away from the Army and give to European Allies."³⁷ It took some time before the JCS recognized the inherent possibilities in the MAP for modernizing equipment of all the Services. They were able eventually to replace less expensive, obsolescent items with more expensive, more efficient equipment.³⁸

As of the summer of 1948, the JCS, reinforced by a report of the JSSC,† determined to limit assistance to amounts that would not interfere with the armament of U.S. forces. The nub of the issue was the question of weapons to allies at the expense of the Defense program. A turning point came when General Hoyt S. Vandenberg, USAF, suggested that American security might be better served by curtailing some of Defense's requirements. It was a position in which the JCS ultimately concurred. General Omar N. Bradley, USA, observed that "it would be a great mistake to concentrate our entire resources on a United States rearmament program in the belief that such action alone will contribute most to our national security."³⁹

That ECA officials also had reservations about the future of military assistance was less surprising. Periodically, Harriman or Hoffman would inquire about the role of ECA in the program and about the effects of military plans on the operation of their agency. Invariably they would receive assurances of the special care that would be taken to insure the inviolability of the ERP.⁴⁰ For the

*State-Army-Navy-Air Force Coordinating Committee, successor to SWNCC.

†Joint Strategic Survey Committee, an organization of the JCS.

most part, ECA officials accepted more readily than their military counterparts the intricate links between economic and military aid. As long as competition for the same raw materials did not produce inflationary consequences, they welcomed the MAP—it could provide Europeans the confidence needed to assure economic recovery. At the time NSC 14 emerged, Harriman sounded a stronger note than most of his colleagues because he was worried over the damage Soviet military and political pressures could wreak on the “relatively new-born determination” of the Allies. He not only encouraged military aid in principle; he also proposed token shipments of P-51 fighter planes to the French to counter the psychology of appeasement which he feared was undermining the progress of economic recovery. Even if the notion should not be feasible, it still could be publicized to let Europeans know the high priority which the United States was assigning to the defense of Europe.⁴¹

The most tangible efforts toward implementation of a European-American alliance were taken by State Department representatives. The promise implicit in the President's March address and in the Vandenberg Resolution was redeemed by the opening of official and semiofficial avenues of contact between the Brussels Pact countries and the United States. On 6 July 1948, Under Secretary Lovett exchanged views on European defense requirements with the Ambassadors of Canada and the Western Union countries and continued those exchanges intermittently until 10 December, when more formal negotiations began.⁴² At the same time U.S. military representatives were attached to the Permanent Military Committee of Western Union on a nonmembership basis to aid in formulating the latter's mutual defense program.⁴³ Further contacts included the appointment of U.S. representatives as observers to the Western Union Supply Board, Finance Committee, and Chiefs of Staff.⁴⁴ All concerned quickly agreed that a way had to be found for the United States to supply vital materials and arms not only to the five Brussels Treaty powers but also to other countries of the North Atlantic region which comprised the defense area of Europe. On 26 October the Consultative Council of Western Union, at its third meeting in Paris, agreed to work for a North Atlantic security pact.⁴⁵

Since the problem of supply depended fundamentally upon the needs of the Defense Department, according to a SANACC study on priorities for military aid, the first step would have to be an evaluation by the U.S. Joint Chiefs of Staff of the project with reference to the materiel requirements and operations of the Defense Department.⁴⁶ The NSC thereupon suggested that the members of Western Union should, first, plan a coordinated defense system with means presently available and, next, determine how their military potential might be increased; the United States would then consider and screen their estimates, determine the reciprocal assistance that might be expected, and ask for legislation when these conditions had been met.⁴⁷ This coordinated military supply plan was to be presented by the Western Union Military Committee on 15 November. Unable to meet this deadline, the Western Union Chiefs of Staff provided an “interim” list of estimated deficiencies so that some information would be available as the basis for congressional action.⁴⁸

Instead of an overall plan of defense, the Military Committee could provide the U.S. representative with only a general statement of policy in which it proclaimed five vital interests of Western Union: (1) Holding the enemy as far east in Germany as possible; (2) defending Western Union

countries against air attack; (3) defending the Middle East as an offensive base of operations; (4) defending North Africa; and (5) controlling sea communications. Given these goals, the Western Union hoped to convince Russia that war would not pay.⁴⁹ Unfortunately, the Western Union Chiefs of Staff could not do much to implement these worthy objectives, other than provide a summary of forces available for mobilization in 1949 and manpower increases possible if the necessary equipment could be obtained.⁵⁰ No movement had been made to pool inventories and production resources in order to draft a balanced program, and even the list of deficiencies was incomplete and unsatisfactorily screened.⁵¹

When the list of deficiencies reached Washington in November and December 1948, it was obvious that they were superficial and drawn according to the needs of national rather than European defense. But since they constituted the best information that the United States was likely to receive for some time, they became the basis for a program for which Congress might be asked to appropriate funds during the next year.

Organizing a Military Assistance Program

The slow pace of MAP development was not wholly disturbing to the Administration. The sluggish response of Europe to U.S. requests was matched by inadequate coordination on the part of U.S. officials. But at least some thought was given to both problems on both sides of the Atlantic, and that was sufficient in an election year when no further foreign aid legislation could possibly have been managed by Congress. Furthermore, under the political arrangements worked out in the fall of 1948, military aid would have to follow the new North Atlantic political alliance, the framework within which the MAP would operate. The North Atlantic Treaty was the ultimate expression of U.S. association with Western Europe, even if the tradition of isolationism required the masking of this dramatic step by calling it an Atlantic rather than a European connection.⁵²

The President himself gave new vigor to MAP planning with the opening of the 81st Congress. In his inaugural address he mentioned four courses of action that would dominate U.S. foreign policy, of which Point Three proclaimed the strengthening of "freedom-loving nations against the dangers of aggression" and the provision of "military advice and equipment to free nations which will cooperate with us in maintenance of peace and security." He announced that the United States was now working out with a number of countries a joint agreement designed to strengthen the security of the North Atlantic area.⁵³

The most pressing concern—coordinating the planning of the various agencies within the Government—had already been settled by the creation in December 1948 of the Foreign Assistance Steering Committee (FASC), composed of the Secretaries of State and Defense and the ECA Administrator. This committee, in turn, set up the Foreign Assistance Correlation Committee (FACC), which was to work out policies for the consideration of the parent body. General Lemnitzer came to the Pentagon from the National War College on 6 January 1949 to represent Defense on the FACC.⁵⁴ The ECA was represented first by its General Counsel, Alex Henderson, and later by Edward

T. Dickinson, Jr. Assistant Secretary of State Ernest A. Gross served as chairman of the committee until the end of March, when he was replaced by Lloyd V. Berkner.⁵⁵ It was this committee that was responsible for the details of the Military Assistance Program.*

Initially, FACC found that very little coordinated thought had been given to foreign military assistance.⁵⁶ As its first task it undertook to define the problems in such a way that all the working groups would work on the same issues at the same time. As a result of this preliminary work, six major fields of investigation emerged: (1) An inventory of existing legislation to identify gaps needing filling; (2) formation of detailed programs based on European needs and the availability of U.S. equipment; (3) determination of the kind of reciprocal assistance desired by the United States; (4) an estimate of the impact of the program upon the United States and foreign countries; (5) erection of an administrative structure for the program; and (6) preparation of the necessary legislation.⁵⁷

A working group of FACC completed the next step, a basic policy study, on 7 February, and submitted its findings to the Secretaries of the Army, Navy, and Air Force, the JCS, and the Munitions Board for their comments.⁵⁸ This study emphasized that the basic policies underlying the Military Assistance Program were designed to make the Soviet Government "recognize the practical undesirability of acting on the basis of its present concepts and the necessity of complying with the precepts of international conduct as set forth in the purposes and principles of the United Nations Charter." It was hoped that military aid would help "not only to reduce the likelihood of further Soviet-Communist aggression and to improve the ability of those nations to resist if attacked, but also to create an atmosphere of confidence and security within which the chances for success of economic recovery programs may be enhanced and a more favorable atmosphere for the accomplishment of the principles and purposes of the United Nations established."⁵⁹

The principal measure of the amount of U.S. aid to be given to any particular country was the relative contribution it would make to the military security of the United States in the event of war, and for this evaluation a worldwide program was essential. Although no concrete estimate of the overall scope of the program could be made at the time, U.S. military assistance could not be granted if it jeopardized the economic strength of the United States or the minimum material requirements of its armed forces. The logical outcome of these considerations was a system of priorities among the various recipients in which first priority was given to Western Union, Canada, and Turkey and to Denmark, Italy, Norway, and Portugal if they should become members of the North Atlantic Pact. The second priority group included Austria, Greece, Iran, and Saudi Arabia; the third, Korea, Latin America, the Philippines, and Thailand. While political, economic, and military factors entered into this classification of potential beneficiaries, the amount of assistance required was not consistent within each group. Thus Portugal needed only token military help even though its geographical position in the U.S. security scheme had placed it in the first priority. Without attempting precise definitions, the FACC decided that Western Union, Canada, and Turkey would be granted

*When the Office of Director of Mutual Defense Assistance was subsequently established on 6 October 1949, FASC and FACC became Foreign Military Assistance Steering Committee and Foreign Military Assistance Coordinating Committee.

"substantial" aid; Denmark, Italy, Norway, Austria, and Greece would be allowed "limited" aid; and Iran, Saudi Arabia, Korea, Latin America, the Philippines, and Thailand, in addition to Portugal, would have merely "token" aid. For countries that could afford it, this aid would be made available on a reimbursable basis.⁶⁰

Unlike the planning of the priority system, which had to be confidential, and unlike the policy of classifying individual needs, which had to be vague, the type of aid proposed by the FACC could be made public and reasonably definite. In general, the Military Assistance Program would include: (1) End items, namely, finished armaments, munitions, and implements of war; (2) personnel equipment and supplies for military use; (3) raw materials, machinery, and other items required for production in recipient countries beyond levels existing or planned as of 1 January 1949; (4) technical assistance and information, and training of armed forces; and (5) reimbursement for costs arising out of diversion of resources. The provision calling for increased production abroad caused some uneasiness later for fear that weapons made in Europe would become adaptable to long-range warfare and mass destruction, but the others were never in question.⁶¹

Some of the problems raised by the FACC had been under investigation for a number of months. One of the most immediate dealt with the impact of the MAP upon the American economy. The Munitions Board and the National Security Resources Board, at the request of the State Department, investigated the possible effects of the programs in various proportions, beginning with \$500 million and moving up to a point at which the impact would be clearly excessive.⁶² They found that even a program computed at \$1.5 billion would affect the vast resources of the United States only slightly. Not more than 2 percent of the country's supply of steel, less than 0.1 percent of aluminum, and 0.3 percent of copper at most would be used, and much of that would be for ECA needs rather than military needs.⁶³ The principal warnings came from Edwin G. Nourse, Chairman of the President's Council of Economic Advisers. While his speeches contained no specific condemnations of the program, Nourse called the Government's attention to the dangers generally inherent in excessive military expenditures.⁶⁴

The effect of the MAP upon the European economy was harder to appraise since it involved both the role of the ECA and the uncharted field of Europe's productive capabilities. Special Representative W. Averell Harriman, in a letter to Lovett on 12 November 1948, noted that his staff alone could not handle such an analysis and suggested that a special group be formed for this task.⁶⁵ In January 1949, Paul Nitze, Deputy to the Assistant Secretary of State for Economic Affairs, went to London and Paris to talk over these problems with the U.S. embassies concerned and with the representatives of the Office of the Special Representative and Western Union.⁶⁶ Harriman wanted assurance that Nitze would take into account his concerns about the impact of military assistance on the ECA. He opposed Nitze's idea that the U.S. representative to the Western Union Supply Board should be a civilian from the Department of Defense; he wanted the ECA to be represented on the board. Lovett promised that Nitze's mission to Europe would resolve these problems.⁶⁷

Nitze sought primarily to learn how extensive the interim supply program had to be for the vital defense of the Brussels powers. It did not take him long to find out. Western Union discussed the question but made no detailed arrangements that would call for budgetary increases from any of its members.

All Western Union members feared the effects of such an increase upon their economic recovery programs. Since this response meant that no increased military production could be expected from Western Union's own resources, U.S. help in the form of dollar aid and raw materials became necessary. Nitze quickly discovered that delivery of military items alone would not resolve the problems of Europe's defense.⁶⁸

Without objecting in any way to the clear priority of economic recovery over rearmament, U.S. officials still could not share European opinion that the Brussels allies could bear no additional military costs, or that their total planned expansion of armaments would be borne by the American taxpayer.⁶⁹ Spokesmen for embassies and the ECA missions in London and Paris felt that Europe should show greater willingness to help itself and to extend mutual aid before requests were presented to Congress. They believed that some increase in the budget could be made without distorting the ERP. They, therefore, recommended a "carrot and stick" procedure which would condition U.S. military assistance upon larger military budget appropriations by the Western Union countries. But the device would work only if the aid would be made available in dollars rather than in military items. The Allies then could cover the dollar cost of imported raw materials stemming from increased defense budgets and decreased exports caused by diverting manpower to military objectives.⁷⁰

But no matter how many sacrifices might be requested, Nitze understood from his discussions with Col. Henry R. Westphalinger, USA, soon to be the Army member of the Brussels Pact Powers Joint American Military Advisory Group in London, that no genuine military security would be achieved during the expected life of the ERP. The economic resources of Europe were too limited. The best that could be expected was that the level of the Allies' existing forces could be reinforced. Westphalinger, along with Brig. Gen. A. Franklin Kibler, USA, chief of the U.S. delegation to the Pact's Military Committee, believed that nothing but an interim program could be established in less than 6 months' time.⁷¹ New U.S. decisions were imperative. By February, the Secretary of State could advise the U.S. Ambassador in London, Lewis W. Douglas, that the United States might be able to make financial aid available for increased production of military end items to compensate for their impact on the European economy, and he instructed Douglas to begin informal negotiations for U.S. participation on the Western Union Finance and Economic Committee.⁷²

The knowledge that ECA would not suffer from the demands of MAP comforted the FACC planners, but their satisfaction was tempered by fear that funds and equipment for new munitions plants in Europe would be vulnerable to misuse and wasted in the event of invasion in the near future. The Defense spokesmen, therefore, insisted that no financing be given to weapons adapted to long-range or mass destruction warfare.⁷³ The importance of having spare parts available abroad, however, and the value of having a European pool of skilled manpower induced the National Advisory Council on International Monetary and Financial Problems to accept a plan to finance limited production.⁷⁴ The FACC considered \$115 to \$165 million for this purpose, hoping that this investment would bring a considerable return in the form of increased productivity.⁷⁵ It had been considered advisable to avoid discussing this issue as long as possible with European nations until further arrangements had been made to avoid excessive or unnecessary requests from the potential

beneficiaries.⁷⁶ There always existed the risk that recipient nations might become so dependent upon American support that they would slacken efforts to help themselves.⁷⁷

Although the formation of policy resided largely in the FACC under the aegis of the State Department, the work of transferring policy to the operating level, of selecting and shipping materiel, belonged to the Department of Defense. The military Services had responsibility for selecting major items from the lists of deficiencies submitted by Western Union and then transmitting their recommendations to the Joint Munitions Allocations Committee (JMAC) for examination.⁷⁸ The JMAC would then recommend to the Joint Strategic Plans Committee which should be furnished from existing stocks and which equipment from the open market, and together they would present their findings to the Joint Chiefs of Staff.⁷⁹ The procurement arrangements would be carried out by the Services.⁸⁰ JCS had responsibility for three major functions: (1) Selection of bases the United States might ask as reciprocal assistance; (2) decision on equipment to be taken from existing stocks; and (3) determination of inter-Service priorities.⁸¹

With the benefit of FACC guidance, the JCS devised an interim program for the fiscal year 1950, estimating its cost to the United States and indicating its logistic implications. Military assistance for Greece, Turkey, Iran, China, and the Philippines had already been approved, and in those cases the problem was fusing existing programs into a worldwide plan without disturbing the current effort. The inadequate statistics and information provided by Western Union, on the other hand, could not serve for the development of an efficient supply system. But since the Western Union defense policy was generally acknowledged to be in consonance with JCS strategic thinking, its lists would be accepted as the basis for budgeting until a more careful and complete evaluation had been made.⁸²

The JCS presented its proposals in two basic papers. The first, on 11 February, contained an estimate of the total expenditure planned, the pricing system, the screening criteria, the policy as to retention levels, and inter-Service priorities for allocation of equipment.⁸³ The second, on 14 March, applied the figures and criteria of the first document to the various countries that were to receive assistance.⁸⁴ The total cost of the program would be \$1.786 billion, of which the bulk was earmarked for Western Union and Atlantic Pact countries; Europe would be allotted close to \$1 billion, mostly for artillery, small arms, trucks, and communications supplies needed for the maintenance of the equivalent of nine U.S. divisions. The amounts scheduled for individual armies, navies, and air forces were carefully enumerated, and specific figures were cited for the sums that would be charged to stock, procurement, transportation, and administration.

The objective of this interim supply program was to bring to full combat effectiveness the forces which the Western Union could maintain during fiscal year 1949 without affecting the economies of the individual countries concerned. This chiefly required meeting deficiencies in equipment, involving no increase in troops or in military production abroad. No dollar aid for financing even limited production, as suggested by FACC D-3, was included because of the interim nature of the program and because of its potential interference with economic recovery. Other recommendations of the FACC, particularly its system of classification, were retained and fully implemented. One hundred million dollars was set aside as a contingency fund

to meet unforeseen needs of countries not included among the original beneficiaries or of countries requiring additional funds during the fiscal year.⁸⁵

The JCS expressed concern about the effect of the MAP upon U.S. military preparedness. Even after an intensive effort had been made to send only materiel and equipment that could be safely spared by the U.S. armed forces, the Department of Defense would suffer, according to the JCS, reduction in stocks during the first 2 years of the foreign aid program that would delay mobilization capability of 80 divisions from M-plus-24 months to M-plus-36 months.⁸⁶ An even further postponement could be anticipated because of a possible need to allocate a share of America's expanding production to maintenance and support of foreign forces already supplied with U.S. equipment.

Nevertheless, the JCS had no intention of allowing the MAP to breach the minimum materiel requirements of each Service. The minimum level for the Army consisted of equipment for 25 divisions in addition to replacements for an 18-month period. This did not include post-M-day production.⁸⁷ In other words, the minimum materiel requirement was that level from which no issues would be made to a foreign aid program unless full replacement value was received and unless supplies could actually be replaced by the time they were needed.⁸⁸ Operating with this criterion, the JCS advocated the following pricing policy: (1) Materiel in excess of the maximum retention level — that level based on the full requirements of the mobilization plan — would be transferred at 10 percent of the original acquisition cost; (2) materiel to be replaced by like materiel would be charged at a price not to exceed the estimated replacement cost unless the materiel was vitally needed by the United States and was to be replaced by different equipment; then the various foreign governments would pay for the cost of the improvements; (3) cost of services rendered in connection with the program would be priced at actual cost.⁸⁹

Against the short-term losses to U.S. military power that would result from a mass transfer of goods, the JCS measured the overall capacity of U.S. allies to improve their ability to resist potential aggression. The JCS believed that their program provided a reasonable preliminary step toward a long-run balanced defense system.

Winning Acceptance Abroad

The FACC had formulated the policy; the JCS had set the conditions for its execution. Now the Western Union countries had to prove their faith in the principles of "self-help and mutual aid" by stating the contribution they proposed to make to the common effort and the specific return they would give the United States for its military assistance. Although the Military Assistance Program was intended to be worldwide in scope extending from the British Isles to the Philippines, the initial reciprocal gesture had to come from Western Europe, where U.S. interests were greatest and where the idea of mutual defense had already made a promising start. Western Union was the heart of the program. Without its support, the United States would continue to play the fireman, rushing aid to inflamed countries but having no way to prevent the outbreak of the fires. With Western Union backing, U.S. military aid, as part of an overall defense policy, would protect Europe from subversion and invasion. Even though Asia and Africa were not included in this policy, their political positions would be indirectly

secured by the regeneration of the West, and their ability to fight communism would be directly improved by the Point Four program. Eventually regional defense associations emerged in other parts of the world, but in 1949 the military weakness of Europe was of much more concern to the United States than the military posture of other neighbors of the Soviet Union.

Neither callousness about African and Asian problems nor preoccupation with things European led the Administration to concentrate its attention upon the Western Union. The assistance programs for Greece and Turkey and the small amounts of aid scheduled for Iran and the Philippines were never in question, but congressional acceptance of the substantial sums proposed for Europe depended on the Western Union's ability to convince the legislators that it was ready and willing to cooperate to the greatest extent possible in its own defense. It was important that Europe take the initiative by making a public request for assistance. The approach had to come from the Brussels powers themselves in order to still the Communist and nationalist cries of U.S. imperialist interference as well as to pacify congressional fears that the United States would waste its money and resources on a reluctant Europe.⁹⁰

The delicate task of bringing this plan to the attention of Western Union required the most skillful diplomacy to permit a hearing in foreign councils without arousing suspicions that the United States sought to dominate their proceedings. This duty fell to the FACC's overseas representative, the European Coordinating Committee, headed by Ambassador Lewis W. Douglas in London. The ECC was formed in February 1949 to provide the FACC with first-hand impressions of the accomplishments of Western Union from U.S. observers on the various committees set up by the Brussels Pact countries. Composed of the U.S. representatives on the Western Union Military Supply Board, the U.S. Chiefs of Staff Committee (both representatives of the Defense Department), and the Financial and Economic Committee (ECA's Special Representative in Europe), in conjunction with Ambassador Douglas, they were to help Europe draw up a coordinated military supply program.

Initiating talks with the individual Western Union powers was a discouraging process. All their latent jealousies and fears of the United States, of Russia, and of each other came immediately to the fore when the ECC brought up the matter of an official request for U.S. aid. Britain was reluctant to begin negotiations, ostensibly because Foreign Secretary Ernest Bevin feared that the French might resent any Anglo-American consultations that would exclude them. He also feared that if Britain should make commitments in advance of consultation with its allies, the other nations would assume that his country would bear the brunt of new sacrifices.⁹¹ France, for its part, hesitated to have its role in the Military Assistance Program publicized until after the cantonal elections in late March because of the political capital this news would give the enemies of the government.⁹²

National pride was the most sensitive issue that faced the U.S. negotiators, and in one instance, it almost upset the entire program. When it appeared that the United States might refuse military aid to the Netherlands until the settlement of its conflict with Indonesia, Dutch Foreign Minister Dirk Stikker was prepared to absent himself from the next Consultative Council meeting.⁹³ While the U.S. attitude was understandable in view of its role as truce supervisor of the Netherlands conflict with the former Dutch colonies and in view of Congress' dislike of colonialism and its fears that arms supplied to Europe would find their way to Asia, it did not take into account the sympathy

which the other Western Union powers extended to the Dutch. To them, U.S. behavior appeared to be interference in the internal affairs of another country and a unilateral interpretation of the United Nations obligations with respect to the Indonesian problem. Foreign Secretary Bevin spoke for his European colleagues when he observed: "Whatever the merits or demerits we may feel about the present situation in Indonesia, we felt we couldn't isolate it from the general reaction that might happen upon any of us in similar circumstances and possibly at critical moments when the United States might be moved by an emotional wave — I say this with all respect — on some quite separate dispute, so that we would be pledged under the Atlantic Pact . . . to go ahead uncertain of support."⁹⁴ A satisfactory conclusion to this contretemps came about with the help of Ambassador Douglas, who appreciated Europe's resentment of America's stand of moral superiority. The United States accepted the Dutch promise of good faith.⁹⁵

In spite of initial misunderstandings, the U.S. negotiators found the Western Union representatives in general agreement with the requirements laid down by the United States and willing to make the formal request. Undoubtedly the prospect of receiving close to a billion dollars in military assistance made it easier for them to accept the principles of self-help, reciprocal assistance, and base rights. At a meeting of the Finance and Economic Committee on 11 March the members detailed their needs. The deficiency for the forces in being totaled \$2 billion, a figure that would have to be raised to \$6 billion if the M-plus-90 forces were included. With U.S. financing, military production in Europe could be increased by \$200 million in fiscal year 1950 and by \$400 million in fiscal year 1952.⁹⁶ Unfortunately, the agreement on the extent of deficiency and on the desirability of U.S. assistance was still not matched by an agreement on Europe's part to correct military inadequacies. Britain, conscious of its own heroic struggle for economic recovery and its earlier efforts toward collective defense, wanted the allocation of costs to be determined by amount of sacrifice. The Netherlands, on the other hand, demanded assurance that military budgets would not jeopardize standards of living. Belgium had a third viewpoint, emphasizing population as the factor which should determine apportionment of cost.⁹⁷

Because the Western Union powers presented only details on their deficiencies without arriving at any plan for replenishing them, they were gratifyingly prompt in drawing up the official request. The Administration wanted this document to be ready for public release immediately after the signing of the North Atlantic Pact to help win Senate approval of that treaty as well as to set the stage for the military assistance legislation. But the draft presented to the ECC on 16 March showed no evidence that the Western Union nations were doing their part for the common defense of the West. It contained principally a general affirmation of the principles of self-help, mutual aid, and collective defense; a cautious statement of procedures contemplated, including coordination of national armies and an increase in military production; and a request for information about U.S. willingness "to participate in a defense programme based on the foregoing principles." A more detailed statement awaited a favorable reply from the United States. Appended to the main body of the text, a confidential annex showed arrangements for the distribution of new military production in fiscal years 1949 and 1950 and presented figures worked out in the Finance and Economic Committee. Whatever contribution the United States would make toward this extra expenditure would be used primarily to

reimburse the powers for their new dollar costs, "and, as to the rest, as mutually agreed by the five powers."⁹⁸

This request was followed 2 days later by separate communications from the British and French designed to convince the United States of the purity of their intentions despite the vagueness of their words. The French opposed spelling out details of bilateral treaties and terms for reciprocal assistance because receipt of American equipment by European countries involved the assumption that it would be used for common defense. Furthermore, they urged the United States to grant all assistance to the Western Union as a single unit, to be distributed according to the needs of the individual countries. The latter suggestion was an obvious elaboration of the idea implied in the confidential annex to the official request. Although the British omitted any mention of aid in a lump sum to the Brussels Pact group, they too wanted to avoid bilateral agreements that would place mutual aid on a contractual basis. To requests of this kind the U.S. answered politely but firmly, "No."⁹⁹

If the Consultative Committee's request was unsatisfactory to the members of the FACC, the British and French interpolations served only to increase their dissatisfaction. With its studious rejection of most of the stipulations desired by the United States and the addition of provisions which Congress would never accept, the Western Union request could not be made public. And yet this situation could easily have been avoided. Ambassador Douglas, suspecting that reciprocal assistance might be slighted by Western Union, had warned the ministers to provide explicit terms and had suggested that he be present at the deliberations of the Consultative Committee to prevent inclusion of points completely unacceptable to the United States. His advice met with objections in the Consultative Committee. Foreign Secretary Bevin asserted vigorously that the United States should have no connection with the document until it had been finally approved and officially presented by the Western Union. If Douglas' suggestions were acted upon, Bevin cautioned, U.S. actions on the problem of military assistance would be incompatible with its former insistence upon a "European approach."¹⁰⁰ Douglas attributed Bevin's strong reactions to emotional strain and accepted the assurances of Stikker, Belgian Foreign Minister Paul-Henri Spaak, and French Foreign Minister Robert Schuman that nothing in the request would be disagreeable to the United States.¹⁰¹

Whatever may have been Bevin's special reasons for excluding the United States from participating in reviewing the request, the other Western Union nations—in common with Britain—allowed consideration of national pride and fear for their own political popularity to color the draft presented to the United States. They knew the U.S. position on the issue of reciprocal assistance and hence knew that they ran the risk not only of losing the confidence of their U.S. collaborators in the State and Defense Departments and in the ECA but also of destroying a favorable reception for the Military Assistance Program in Congress.¹⁰²

When it studied the Western Union request, the FACC objected to: (1) The suggestion that the United States would "participate" as a member rather than "assist" the development of Western Union; (2) the implication that the United States would deal with the organization as a whole rather than bilaterally with each member; (3) the contrast between the promise of self-help in the main body of the text and the burial of the arms production provision in the confidential annex; and (4) the failure to implement the principle of reciprocal

assistance.¹⁰³ These objections led to a decision by the fall of 1948 to have the Western Union powers revise their request before it was released to Congress and the public.¹⁰⁴

The manner in which the members of the Western Union received the strictures of the FACC was in marked contrast to their apparent truculence of the previous week. Bevin explained to Douglas why a revision of the Consultative Committee's request would be inadvisable. Full compliance with U.S. demands would seriously embarrass the position of most of the powers by raising delicate political issues and would involve delays that could upset the MAP timetable. At the same time, he made it clear that bilateral agreements of the type desired by the United States were not precluded by the terms of the request.¹⁰⁵ Closer to the scene than the members of the FACC, the ECC Chairman was sympathetic to the European point of view, particularly to the almost universal feeling on the Continent that those on the firing line in the event of a Russian attack, by merely showing a will to stand up to Soviet intimidation, were making a significant contribution to the common defense of the free world.¹⁰⁶ Douglas was convinced that the pervasive fear of Russia, more than motives of nationalism, accounted for the concealment of arms increase plans and the refusal to make any mention of possible U.S. bases in Europe.

Over the objection of State Department officials in Washington, Ambassador Douglas advocated acceptance of the Western Union document and recommended that the United States seek the necessary changes through another confidential annex. The drawbacks to this idea, in the eyes of the critics in Washington, would be congressional hostility to the secrecy and apprehension that omitting explicit declarations of intentions would weaken the principles of reciprocal assistance and self-help.¹⁰⁷ The ECC countered these arguments with the contention that enforced revision of the official request would destroy the effect of spontaneity and raise the charge of dictation. The unity and cooperation of Western Europe were more important to the interests of the United States than public concessions to U.S. wishes, especially when the same ends might be achieved more effectively through more moderate means.¹⁰⁸

The ECC views prevailed, and the request of the Brussels Treaty Powers for military assistance was announced on 8 April, 4 days after the signing of the North Atlantic Treaty. The U.S. reply was also made public. There were a few changes from the ECC document submitted 3 weeks before: U.S. "assistance" rather than U.S. "association" was asked for and the adjective "increased" was applied to arms production, but none of the details of the confidential annex was included.¹⁰⁹ The U.S. reply promised to ask Congress for military equipment and some financial assistance. The principal sign of U.S. willingness to compromise, however, was the statement that "the allocation of this materiel and financial assistance will be effected by common agreement" between the Brussels Treaty Powers and the United States.¹¹⁰ The way was now clear, it was hoped, for congressional action.

But for all the good will publicly and reciprocally expressed on 8 April, the exchange of documents ignored an issue almost as important to the success of the MAP as an understanding between the United States and the Western Union, namely, the role of the non-Western Union members of the North Atlantic Treaty group. That they had a place in the negotiations the United

States recognized in an arrangement made for Norway, Denmark, and Italy to present requests for aid on the same day as Western Union members.¹¹¹

The neglect of NATO countries outside the Western Union followed naturally from the treaty's origins. Membership of other nations in the "North Atlantic security arrangement" was predicated on the service additional members would contribute to the core group of Brussels Pact signatories. This was inevitable. The Western Union dominated the working group which met in Washington in the summer of 1948 for exploratory talks under the chairmanship of Charles E. Bohlen, Counselor of the State Department. Canada was the only outsider. Limited commitments were initially anticipated for such countries as Norway, Denmark, Portugal, Iceland, and Ireland, while Italy's adherence posed more formidable problems, especially the military limitations imposed by the Italian peace treaty.¹¹² Moreover, the powerful voices of Bohlen and the Director of the Policy Planning Staff seemed unenthusiastic about promoting the prospects of a large alliance. According to Theodore C. Achilles, Bohlen would have preferred "a massive military assistance program and let it go at that"; he fought a rearguard action against the treaty all the way.¹¹³ Even though Bohlen was eventually transferred to Paris and Kennan, his successor in the working group, was partially converted — at least to the extent of solving problems in the wording of Article 5 — the NATO nations outside the Brussels Pact continued to have difficulties fitting into an alliance initially built around the five members of the Western Union.¹¹⁴

The problem was accentuated by the role of the ECC. Originally under the hierarchical system through which the MAP was supposed to operate, there would be for each country a FACC in microcosm—senior State, Defense, and ECA officials in NATO countries chaired by a State representative who was either an ambassador or minister—passing their differences up to the ECC for resolution.¹¹⁵ In practice little contact existed between the ECC, absorbed in Western Union problems, and the country missions, with the consequence that the latter conducted their business directly and almost exclusively with Washington.

This lack of coordination ultimately produced a ludicrous situation in which negotiations for military assistance were conducted as if the Western Union nations and the non-Western Union countries were being inducted into separate defense pacts instead of one North Atlantic Treaty Organization which required both groups for maximum effectiveness. Norway, Denmark, and Italy received aid not merely as an inducement to enter the pact; it would have been supplied even if they had declined the invitation to join in a common defense movement. According to the JCS, the defense of air and submarine bases in Norway and Denmark and the denial of them to the Russians were of major strategic interest to the United States.¹¹⁶ While Italy's position differed somewhat from Scandinavia's, it, too, would have been given military help—at least, bringing its troop strength up to treaty limits—whether or not it had been admitted to the North Atlantic Pact.¹¹⁷ Thus, if a common defense plan in the face of Soviet aggression was to have any meaning, a way had to be found to reconcile the needs of the Western Union with those of the larger NATO.

Neither the ECC nor the Western Union committees looked with favor on the idea of extending military aid to Italy, Norway, or Denmark. In the eyes of the Western Union members, they were unwelcome intruders in the defense program, competitors who had made none of the sacrifices that would entitle them to an equal share of U.S. funds. Furthermore, they would focus attention

on the distasteful principle of bilateralism since Americans would have to deal with each individually.¹¹⁸ The ECC was also disturbed by the blow to Western Union morale that this issue produced, and by the difficulties that could arise from asking Italy and Norway to subscribe to promises of mutual aid and reciprocal assistance when they did not belong to the organization which made those principles operative.¹¹⁹

Disregarding these objections, the final arrangements, coupling the Western Union requests with those of the other North Atlantic Pact countries, were based on Article 3 of the recent treaty and on the assumption that the North Atlantic Pact would provide the structure that would support both groups. Although not satisfactory to any of the parties, there was at least a solution. ECC ultimately recognized the necessity of fostering the fullest possible integration within the Western Union while encouraging cooperation between the Western Union and the peripheral nations of the North Atlantic Pact. A bridge had to be built to connect the capabilities for self-defense and mutual defense of all members of the North Atlantic Treaty Organization.¹²⁰

The non-Western Union signatories of the North Atlantic Treaty were not the only countries that the MAP planners had neglected. What little attention Italy, Denmark, and Norway had received was considerably more than the countries of Asia had enjoyed. This situation was not surprising. As military assistance derived its inspiration chiefly from the potentialities of integrated defense, individual military efforts naturally received a low priority. Nevertheless, countries in the lowest category III, such as Saudi Arabia, the Philippines, and Thailand, had significance for the security of the United States; indeed, in some of the non-pact countries Russia's ability to injure U.S. interests had been and could be as great as in Western Europe. Iran, for example, with territory contiguous with the Soviet Union, had experienced the same sort of pressure in 1946 that plagued Greece the following year, and the Philippines, where the United States continued to use naval and air bases, faced the terrorism of the Communist-dominated Huks.

It is true that if the sums allotted to these countries were smaller than Europe's, their needs were also less and their abilities to absorb substantial amounts of equipment were more limited. But the disparity between the vast amounts scheduled for the West and the apparent pittance planned for the rest of the world was striking. Although the potential beneficiaries did not know how much each would receive, it required no great imagination for them to perceive the general outlines of the overall program and to realize that Western Europe (together with Greece and Turkey) would be the favored area.¹²¹ Consequently, the less-favored nations displayed some bitterness and a good deal of jealousy. Iran in particular resented the attention which the United States showered upon Turkey since it considered Iranian military power as vital to the protection of the free world as that of any other Middle Eastern country. Emboldened by its successful defiance of Russia, Iran was inclined to speak of its "right" to U.S. assistance and was reluctant to submit a request unless it were given the status of Greece and Turkey.¹²² U.S. programming of worldwide military assistance had failed to take into account the psychological effects that its European orientation would have upon non-European nations, and this omission, particularly with respect to China, contributed to the Administration's problems when the MAP finally came before Congress.

CHAPTER III

The Mutual Defense Assistance Act of 1949

Preparing the Bill

The signing of the North Atlantic Treaty and the publication of the Western Union requests for aid along with the U.S. favorable reply, all in the first week of April 1949, brought the Military Assistance Program closer to fulfillment. There were still numerous obstacles to be overcome, however, before the program could be presented for congressional approval. One of the more troublesome was the difference in viewpoint between the State and Defense Departments which lay beneath the surface of unanimity maintained within the FACC and the ECC in negotiations with Europeans. To a degree the difference was functional: Defense tended to think of U.S. security in terms of the military capabilities of the various world powers, while the State Department usually gave more weight to the political factors.

A major source of dissent emerged from the Policy Planning Staff of the Department of State, directed by George F. Kennan. While acknowledging and even reaffirming the interlocking character of a national security that would include the defense of Europe, Kennan repeatedly deplored the increasing emphasis on the military facets of security. Fearing misinterpretation of the military role, the PPS had opposed preparing detailed statements on security for the NSC. Whatever it produced, Kennan believed, could be distorted in such a way as to limit flexible responses in the future.¹

In coping with the hostility of the Soviet Union, Kennan claimed that the basic assumption underlying the NSC's containment policies, namely, that it was possible to "describe in a few pages a program designed to achieve U.S. objectives with respect to the U.S.S.R.," gave "a misleading impression of the nature of our foreign policy problems."² Kennan's pessimism increased as the Military Assistance Program came into being. He was particularly upset with its implicit assumption that an arms program was the best means of overcoming the military weakness of the West, as if "total security" were a genuine possibility. If so, it might mean unacceptable insecurity for the other side. Moreover, the Policy Planning Staff wondered if the Pentagon recognized that the Politburo did not want war; it wanted the fruits of war through other means.³

The trouble between State and Defense derived, according to Kennan, from their differing angles of observation: "The Military, because of the nature

of its own planning, seems unable to realize that in a field of foreign policy specific planning cannot be undertaken as they propose . . .” Military combat need not be the only alternative to peace. What Kennan and his colleagues suspected was that papers produced for the NSC, such as NSC 20/4 (U.S. Objectives toward the U.S.S.R.), would be influenced excessively by the military approach to Soviet-American relations, and that the NSC would become a prisoner of the Pentagon’s tunnel vision.⁴

Although Kennan won his point of limiting the NSC function to the integration of policies relating to national security rather than the determination of the measures required to implement those policies,⁵ he did not win Acheson over to his view of the military. The Secretary of State believed the Department of Defense to be far more responsive to the complexities of foreign military policy than did Kennan.⁶ The fact that there were distinctions between the two did not necessarily mean that Defense was rasher than State in its decisions. On occasion the opposite was true. During the negotiations on the North Atlantic Treaty the Joint Chiefs of Staff had feared that State negotiators were neglecting U.S. military capabilities in their enthusiasm for committing the Nation to the defense of the non-Soviet world. Urging moderation, the military had recommended a strict delimitation of the pact area so that U.S. power would not be responsible for protecting the Asian or African colonies of Europe, and had suggested a rewording of one of the treaty’s articles to restrict military assistance to situations of external aggression.⁷

But military officials who had observed the danger of overextending military commitments were not so observant of equally unwise political involvements. On the other hand, the greater sensitivity of the State Department to the political background of military action could modify a Defense Department position. Because of Spain’s strategic importance, Defense saw the value of bringing it into a defense alliance and supplying it with military aid, and only reluctantly conceded that such a course would antagonize America’s European allies.⁸ Thus it was obvious that the U.S. role as a world power required the mutual contribution of both political and military planning for the shaping of a balanced overall policy.

Cooperation between the two agencies was not always easy to achieve despite its importance to the national welfare. The Secretary of Defense’s position in the NSC was somewhat anomalous until the summer of 1949, when a thorough reorganization of the National Military Establishment terminated the military departments of NSC memberships.⁹ Forrestal’s task was further complicated by his difficulty in speaking as Secretary of Defense on foreign military policy when the views of his three constituent departments—Army, Navy, and Air Force—were not always in harmony. He had to cope with conflicts within his own household before he could present a Defense viewpoint to State officials.

One such divisive issue was the question of “reciprocal assistance” which had so disturbed the European nations. Even the definition of the term was uncertain. Europeans offered one meaning; Americans, another. Great Britain, for example, was satisfied with the principle of “mutual” assistance, which was to be written into the new Atlantic Pact, but had suspicions about possible interpretations of “reciprocal” assistance. Ambassador Douglas had to convince Bevin that there was more than a semantic difference between the two adjectives, and that Congress required an explicit acceptance of the principle of reciprocity before the treaty was signed or a military assistance program

authorized.¹⁰ To Americans the issue was clear—reciprocity meant bilateral arrangements granting specific concessions such as a base in Greenland in exchange for aid to Denmark.¹¹ Bevin and the other foreign ministers of the Western Union understandably would have preferred the “mutuality” implied by their service on the “front line” in the battle against Communist aggression.¹² Recognition that reciprocal assistance in 1949 would be translated less as base rights than as transit rights in time of war helped to relax tensions on both sides. But European uneasiness over the price they would pay in bases for U.S. money and equipment remained a sore point.

Reciprocal assistance was an equally abrasive concern for U.S. officials. Should such assistance be mandatory? What forms should it take? In what way should it be transferred? These questions evoked positive and often contradictory responses. An extreme position was taken by Munitions Board spokesmen, who suggested that each recipient should set aside in its own currency the equivalent of at least 5 percent of the value of U.S. military aid for U.S. procurement of strategic materials.¹³ This proposition clashed sharply with the opinion of the National Advisory Council on International Monetary and Financial Problems that any such measure would undermine economic recovery of the European nations, disturb the strained balance of payments, and fail to produce beneficial results. Europe had little to spare. In fact, only \$50 million of the \$193 million set aside for such purposes under ECA had actually been used for raw materials.¹⁴ Although General Lemnitzer of the FACC considered the Munitions Board’s particular proposal unrealistic, its pressure was a factor in forming the final Defense position.¹⁵

Reciprocal assistance included base rights and operating rights as well as strategic materials, and on the former there was no disagreement within the Department of Defense. The differences between Defense and State, however, were marked. The three Service Secretaries were not only adamant about the importance of these forms of reciprocal assistance, they were also convinced that only through bilateral agreements could the U.S. trading position be upheld. Only at the urging of General Eisenhower did the War Council restrict bilateral negotiations to the period preceding the working out of a better system by the North Atlantic Treaty Organization.¹⁶ The Defense attitude disturbed ECC representatives.¹⁷ The latter claimed that they did not oppose either reciprocal assistance or bilateral negotiations in principle; they opposed the emphasis which the military placed upon them. They feared that the solidarity and cooperation which the United States sought to foster would evaporate and be replaced by resentment.¹⁸ Actually, the schism was deeper than State admitted at first, for before the argument was finished, its spokesman made it clear that they saw no need for including reciprocal assistance in the negotiations. It was unnecessary because the United States already enjoyed base rights, formally or informally, in Iceland, Greenland, the Azores, Britain, and France, and could easily secure more if necessary; it was impractical because no nation, out of pride if not out of sound business practice, would surrender bases in return for only military assistance; it was dangerous because it would open the United States to the charge of imperialism.¹⁹ The Defense Department disputed each point. Such was the charged atmosphere behind the united front on reciprocal assistance which Ambassador Douglas displayed to Europe.

Failing to heal the breach at the ECC level²⁰ as well as within its own ranks, the FACC passed the problem to the Foreign Affairs Steering

Committee (FASC) for solution. Ultimately Congress decided the issue, and its decision, embodied in Section 402 of the Mutual Defense Assistance Act, gave a complete victory to the view of the Defense Department. The result was never really in doubt, for much as Congress preferred multilateral to bilateral arrangements in theory, it would not sacrifice the latter as long as it was convinced that bilateralism was the only way to secure reciprocal assistance.

Recognizing congressional feelings on the subject, the State Department sought a middle ground where specific bilateral treaties would follow general master agreement. As for the military operating rights emphasized by the Defense Department, State suggested that the United States obtain as much as possible from each country before implementing MAP, but that it should not place aid on a quid pro quo basis in the actual negotiations.²¹ The FACC, however, agreed that military rights would be requested from the recipients simultaneously with the bilateral agreements.²²

The Defense Department had less success in its other controversies with State, particularly on the delicate matter of who was to run the Military Assistance Program. As in the case of reciprocal assistance, outside pressure helped to solve the problem. From the beginning, State leadership in foreign aid had been recognized because negotiations had been in the arena of diplomacy. State Department officials chaired all the preliminary organizations set up to work out a program. Nevertheless, the important role which the military was to play in MAP policy and operations made the Defense representatives unwilling to subordinate their position to that of their colleagues in State. They preferred an independent administrator of Cabinet rank with a role comparable to Paul Hoffman's in the ECA, but they would have been willing to accept State superiority if Defense interests were safeguarded by an administrator appointed by the President with a status higher than that of Assistant Secretary of State.²³ The working level of the State Department would not concede even this much, and insisted on an administrator operating within the existing framework of the Department's organization.²⁴ The controversy ended when the President assigned primary responsibility for the program to the State Department, as expected, and gave the post of director to an officer selected by the Secretary of State.²⁵

Despite a letter of protest by the newly appointed Secretary of Defense, Louis Johnson,²⁶ the military opposition to this solution was essentially perfunctory. Only 3 days after writing to the President, Secretary Johnson offered "the support of the National Military Establishment for whatever level of program the State Department has determined it intends to advocate today before the Bureau of the Budget."²⁷ The Bureau of the Budget was the instrument of this spirit of compromise. A sudden threat in April 1949 that the Bureau might slash military funds made Defense officials willing to sacrifice their administrative ambitions for the cooperation of the State Department. It was not that the Defense Department had been unaware of growing congressional resistance to increased taxation, and it had expected the requested total of \$1.986 billion to come under the close scrutiny of the Budget examiners.²⁸ It had even anticipated the areas vulnerable to attack — the self-help and emergency funds and possibly funds for some of the non-Western Union countries.²⁹ But it did not foresee the possibility that the entire Military Assistance Program might have to be financed by funds from the Defense budget. Such a move would have been a tremendous blow to the military, for they had considered their own budget small enough without having to set aside almost \$2 billion for foreign

aid. No less an economist than Edwin G. Nourse, Chairman of the President's Council of Economic Advisers, had stated publicly that the cost of the Military Assistance Program should be met out of military rather than supplemental appropriations.³⁰ Arguments of this sort had instant repercussions in Congress.³¹

The military made immediate refutation. Heatedly its spokesmen asserted that the security requirements of the armed forces were determined more by intentions and capabilities of potential enemies than by readiness of potential allies. It would be folly, therefore, they argued, to provide foreign aid at the expense of U.S. fighting strength, especially when U.S. aid could do no more than bring Europe's forces up to a minimum condition of preparedness. As long as Europe could not withstand Soviet aggression, America's own armed power must be kept secure. Only in the future, "when the struggle of other participating nations, through our common efforts, shall have reached the point where their military effectiveness will be a substantial contribution to the common defense of the Atlantic Pact nations, then, and not until then, an adjustment of the United States military forces may be practicable."³²

The threat of financing the entire Military Assistance Program out of the Defense budget never materialized, but it fostered interagency cooperation. State and Defense had to speak with one voice to Congress and the Bureau of the Budget, and the case for new appropriations was more effectively handled by the State Department. The Defense Department's sense of dependence helped to compose the minor irritations as much as the work of a task force set up in March for that purpose. Complaints that the State representative on this body failed to do his share in arranging for the programming, or that the Defense spokesman was overly cautious in revealing the basis for costs, appeared progressively less important as the day of reckoning with the Bureau of the Budget drew closer.³³

The actual Bureau of the Budget cuts, while substantial, were by no means as crippling to the program as some of its framers had feared at first. The original \$2 billion figure had been reduced to approximately the level suggested by the JCS in March before the FACC was willing even to submit its recommendation to Budget. This was effected by judicious cuts in Western Europe's allotment. The Budget staff then cut the program from \$1.766 billion to \$1.115 billion by throwing out the \$200 million scheduled to cover increased military production in Europe and the cost of its indirect impact upon the civilian economy and by eliminating an emergency fund and aid for Korea, the Philippines, and Portugal. Greece, Turkey, Austria, and even the Western Union suffered some loss of funds, while savings were counted on from the reduced cost of administration and transportation.³⁴ Some of the cut was restored after subsequent conferences between the FACC and the Bureau of the Budget, and a compromise figure of \$1.518 billion was arrived at.³⁵ This, in turn, was again modified, and the total cost of the program placed before Congress amounted to \$1.45 billion.³⁶

These reductions were somewhat lighter than they appeared because the pricing system was revised in a way favorable to the recipient nations. The original JCS recommendations of 11 February specified that materiel above the maximum retention level established by each Service would be charged at 10 percent of the original cost. The Bureau of the Budget recommended elimination of this charge, inasmuch as those items did not require replacement and represented no loss to the Nation's fighting strength. The cost of rehabilitation would be the only expense to the MAP. Thus a saving of \$45

million was anticipated for the pact countries, making the real value of the aid considerably higher than the dollar value.³⁷

The military representatives found little to complain about with respect to the precise figures in the MDAP. As long as the program did not affect adversely the budgets or stocks of the Services, they could accept the leadership of the State Department. The latter's preeminence is explained partly by the personalities of the respective Secretaries, particularly the lack of both interest and understanding on the part of Louis Johnson. But the reasons went deeper than personalities. The Defense Department, as the agent most directly responsible for implementing the program, recognized the political, economic, and psychological problems of MDAP.³⁸

NATO and the Military Assistance Program

The slow and complicated process of developing MAP legislation that led to cooperation within the FACC and understanding between FACC and the Bureau of the Budget encountered unexpected delays. Congress was not ready to deal with the bill. The hearings and final decision on the North Atlantic Pact had to be completed first in order to set up the structure on which the military assistance legislation would be hung. MAP was connected with the pact through Article 3, which provided for "continuous and effective self-help and mutual aid" among all the parties to "maintain and develop their individual and collective capacity to resist armed attack." This tie with the pact would have created no problems if the original legislative schedule had been followed. The treaty was to go to the Senate on 7 April, just 3 days after it had been signed; the official requests would be announced on 8 April and the MAP would be launched on 11 April, presumably to bolster support of the treaty in Senate hearings.³⁹ Arrangements for such an intricate operation required the fullest understanding and cooperation of Congress. When this was not forthcoming, the entire timetable was disrupted. Acheson recorded his concern as early as 18 April when he learned that Vandenberg and Connally, among others, were not going to set a date for hearings on the treaty until they had a better idea of the implications of its implementation.⁴⁰

The trouble arose from the lack of information on the part of Congress and insufficient consideration on the part of the Administration of the exact position of the Military Assistance Program in the scheme of the North Atlantic Treaty. Was the pact an effective instrument in itself for repelling aggression in Europe, or was it dependent upon U.S. help? The answer to both questions was essentially affirmative, but it was no simple matter to raise the issue of military aid on the vague terms sought by the FACC without making the pact appear to be a mere vehicle for the transfer of U.S. aid. The Administration's failure to show the complementary nature of the two separate programs resulted in dissatisfaction on every side. Senators who looked on the pact as the beginning of European Union and hence as a *sine qua non* of U.S. aid wanted full details of the program and wondered why non-pact countries were included at all in the MAP. Some of their colleagues, on the other hand, believed that the pact was merely an excuse for an unlimited European raid on the U.S. Treasury, or a rearmament movement likely to provoke war and disrupt the United Nations.⁴¹

Until the confusion over the pact and the Military Assistance Program was resolved, both had a hard time of it in Congress.⁴²

Differences in approach to military assistance surfaced in the executive session of the Senate Foreign Relations Committee on 21 April 1949. The Senators' questions disconcerted the witnesses; their direction had not been anticipated. When Secretaries Acheson and Johnson revealed their intention to request \$1.45 billion in military aid, of which \$1.13 billion would be earmarked for Western Europe, Senator Vandenberg, on whose good will so much rested, demanded an itemization of the entire amount. Senator Lodge added that such a breakdown should encompass a 4- or 5-year period, not simply the first year. At the same time Vandenberg wondered if all the information should not be reported to the United Nations under the requirement of Article 54 of the Charter, concerned with reporting on armaments. Only the assurance of the Administration that such information had never been delivered before and that such public disclosure would create intense embarrassment abroad quieted Vandenberg.⁴³

Although senatorial critics ultimately settled for a promise that all aid would fit into a common strategic plan, the Administration recognized the need for more educational efforts before the MAP could be officially presented.⁴⁴ They had failed to convince Congress of a principle which Kennan had identified in his communications, namely, that only a military aid program could stimulate the changes in Europe's attitudes toward common defense which Congress had insisted on as a precondition of U.S. support. Military aid was the lever that could tilt Europeans toward collective planning. "Our position in trying to negotiate such arrangements," Kennan asserted, "will be very seriously weakened if we find ourselves unable to promise military assistance to other governments in question. Our whole position in argument must rest largely on the predominance of our contribution and on what we are being asked to do for the others. If we have nothing to give, we can hardly expect the others to accede to our views."⁴⁵ Despite public statements to the contrary, the proposed arms program was vitally connected to the Atlantic Pact. The Administration did not transmit this message convincingly in the spring of 1949.

Of all the Administration spokesmen, the new Secretary of Defense, Louis Johnson, suffered most from the difficulties surrounding the presentation to Congress. Having taken over the post from Forrestal on 28 March, he was new to its responsibilities and unfamiliar with the Defense role in either the pact or the Military Assistance Program. Though he had consultations with his predecessor from the beginning of January, he was understandably uneasy about presenting arguments which he had not fully digested.⁴⁶ But he needed more than careful coaching; he had to reshape opinions he had held as a private citizen—just a year before he had told the Daughters of the American Revolution that the Brussels Pact was an example of the kind of military alliance alien to the traditions of the United States.⁴⁷

Johnson regarded himself as a watchdog of the budget, the prescribed limits of which should not be disturbed by any of the alarms and crises of the times. His loyalty to the President and to fiscal conservatism was never suspect. Military assistance was not one of Johnson's priorities. During Johnson's tenure, according to Marx Leva, President Truman gave orders on the military budget.⁴⁸ The new Secretary was persuaded that foreign military assistance was among the most expendable of Defense concerns. The MAP was not, after all, part of the Defense budget.⁴⁹

Acheson, his counterpart at State, characterized Johnson as a bitter and

vindictive man, whose conduct at the time of his dismissal in the fall of 1950 "had passed beyond the peculiar to the impossible." Johnson's sentiments about Acheson were even more strongly held and more pungently expressed.⁵⁰ Even at Defense Johnson had strong critics. General Lemnitzer noted his visceral opposition to NATO and MAP. Johnson, according to Lemnitzer, had assumed responsibility for the MDAP reluctantly, and not even the Korean conflict could shake his reluctance. Lemnitzer further speculated that Johnson's opposition derived primarily from the fact that "he wasn't in on the basic decision to undertake a military aid program." But Lemnitzer also conceded the pressure on Johnson caused by the fear of the drain on his budget created by the program.⁵¹ As the Secretary informed the Senators—in off-the-record discussions—on 21 April 1949, he saw the purpose of military assistance to be collective military security of Europe "up to a point where this nation might begin reducing its arms programs and taxes. All U.S. contributions were to these ends" No subsequent event in his tenure as Secretary of Defense appeared to have changed his mind.⁵²

His difficulties, as well as those of his colleagues, were exposed under the glare of the congressional spotlight. At the open hearings which extended from late April through mid-May, the Administration was forced into accepting the pact as a bar to aggression by itself, completely independent of U.S. military help for its success.⁵³ Goods sent to Europe would be only those definitely not needed by the United States, and none of the aid would interfere in any way with the economic recovery program.⁵⁴ Despite these assertions and despite assurances that the right of Congress to reject a military aid program was not compromised by U.S. negotiations with the pact countries, opponents of the treaty were convinced that a secret understanding existed between the Administration and the leaders of Europe that would make U.S. aid obligatory. The inability of the pact defenders to give details of the Military Assistance Program did not help to dispel these suspicions.⁵⁵ The Administration found itself in a dilemma: It had to admit that Europe's will to resist would be seriously injured by the failure to follow up the Atlantic Treaty with an aid bill, and at the same time it could not counter the claim that the limited aid program anticipated for that year would be insufficient to stop Russian aggression and could possibly have harmful effects upon the recovery program.⁵⁶ The treaty's isolationist critics in Congress were ready to use any weapon to defeat it, and there was no doubt that they considered the military assistance issue one of the best in their armory.⁵⁷

The vigor of the opposition to the treaty and the role the MAP played in building up opposition discouraged many MAP proponents both in Congress and in the Administration. Failure to overcome opposition to foreign aid by the end of April, as originally expected, required that MAP be kept under wraps all spring. The Senate was in no hurry to approve the North Atlantic Treaty. Although the Administration feared that delay would disturb Europeans, the scheduling of urgent labor legislation in the Senate helped explain why a month and a half elapsed between the end of the pact hearings and the beginning of legislative debate.⁵⁸ And any hope of submitting MAP legislation prior to Senate action on the Atlantic Pact was blasted by demands from both Republican and Democratic Senate leaders that House plans for holding MAP hearings in the middle of May be canceled. Vandenberg feared that introduction of the military assistance bill before ratification of the treaty would present the treaty in the wrong light to the public, as if it were "a mere prelude"

to building armies in Europe.⁵⁹ So unsure of victory were the pact sponsors that they were willing to risk disrupting the existing Greek-Turkish aid program rather than focus congressional attention upon that explosive issue.⁶⁰ At the recommendation of Secretary Acheson, the Administration postponed submission of the MAP until the North Atlantic Treaty was ratified.⁶¹

The delay had some compensations. It permitted FACC to acquaint itself more fully with the problems of Europe by sending out a special mission headed by Walter Surrey, Deputy Coordinator of the MAP in the State Department.⁶² It was especially interested in learning ECC views on the type of organization required for efficient fusion of Western Union with the other pact countries under the overall MAP.⁶³ The delay also allowed time for strengthening the deficiency lists of the Western Union so that the Administration's case would be stronger when a bill finally went to Congress. During the months of May, June, and July, these activities appeared to reflect excessive optimism on the part of the Administration, but they derived their inspiration from the highest official source. The President was convinced of the final success of both the pact and the MAP, and his confidence was justified. Despite the vigor and sincerity of the critics in the Senate, according to Richard Stebbins, "the whole situation that had brought the pact into being pointed to one inescapable conclusion which no verbal technicalities could invalidate: namely, that the conditions of the modern world had irrevocably narrowed the limits within which Congress and the Nation could exercise the freedom of action to which they had been accustomed in the past."⁶⁴ On 21 July, the Senate approved the treaty by a majority of 82 to 13.

In all the deliberations, Soviet opposition, vocal though it was, played only a small part. The Soviet Union itself, through the Ministry of Foreign Affairs, denounced the forthcoming treaty as early as 29 January 1949, more than 2 months before the pact was signed and 3 weeks before its text had been made public. The Ministry claimed that it was an aggressive alliance against the Communist bloc, that it violated wartime treaties between Britain, France, and the Soviet Union, and that it distorted the purposes of the United Nations. In essence, it was a plan for world supremacy by the Anglo-Americans.⁶⁵ Yet, the official memorandum of the Soviet Government on 31 March was relatively mild, as it denied the claims of the treaty to be in accord with the United Nations Charter and reasserted the charge that it was directed against the Soviet Union.⁶⁶ Soviet complaints were repeated at the General Assembly meeting of 14 April by Polish and Byelorussian as well as by Soviet delegates, but they were not a central theme of debate. In fact, the issue arose as a digression during consideration of a report on voting procedures in the Security Council.⁶⁷ A widely held view at the time maintained that Soviet reaction against the pact would erupt in an arena other than Lake Success or the press offices of the Foreign Ministry, and that any overt crisis would come over the implementation of the pact through military aid. Later efforts by Communist labor unions to stop the first shipments of arms to Europe as they were delivered at the docks confirm this perception.

Before the Bar of Congress

The MAP bill was introduced in the House and referred to the Committee on Foreign Affairs on 25 July, the same day the President signed the instrument

of ratification of the North Atlantic Treaty; 2 days later it was introduced in the Senate and referred jointly to the Committees on Foreign Relations and Armed Services. The proposed legislation envisaged three types of assistance: (1) Dollar aid to increase direct military production; (2) direct transfer of essential U.S. equipment; and (3) loan of U.S. experts to train personnel of recipient countries in both maintenance of the equipment provided and in production of new equipment.⁶⁸ The total sum requested was \$1.45 billion,⁶⁹ to be distributed in the following manner: Military equipment and technical training for NATO countries, \$940 million; military aid to other countries (including Greece and Turkey), \$250 million*; dollar aid for overseas production, \$155 million; emergency fund, \$45 million; and administration of the projects, \$10 million.⁷⁰ To set the programs in motion, the bills authorized the Reconstruction Finance Corporation to advance up to \$125 million until the money requested had been appropriated.

Remembering the ordeal over approval of the North Atlantic Treaty, Administration spokesmen tried now to anticipate arguments which opponents in Congress might bring against the complementary military assistance bill. With considerable skill, Acheson, Johnson, Bradley, and Harriman emphasized the defensive nature of the program and the extensive benefits which a strong Europe would give to U.S. security. Their presentation was even more persuasive than it had been a few months before, but their arguments were wasted and aimed at the wrong object. With the exception of a handful of irreconcilables, Congress had been convinced of the need of a treaty and a way of implementing it. Administration spokesmen belabored points already won, but they had neglected to prepare for other issues.⁷¹

The Administration, therefore, was surprised to find friends of the pact and the MAP joined with their opponents in attacking not the principle of mutual aid but the amount of money and equipment involved and the way it was to be disbursed.⁷² Although Secretary Acheson and his colleagues made it clear that the bulk of the aid was definitely scheduled for pact countries, the scope of the bill itself was by no means restricted to the Western Union or even to "nations which have joined with the United States in collective defense and regional arrangements" based on mutual aid and self-help.⁷³ There was no apparent limit to the President's authority. He could extend aid to any countries he chose as long as their "increased ability to defend themselves against aggression is important to the national interest of the United States," and the aid could take the form of cash payments, outright grants, or "such other terms as he deems appropriate."⁷⁴ In other words, the President could even decide what kind of reimbursement recipients could make in return for U.S. aid—"property, rights, equipment, materials, services, or other things of value"—and then allow imported items into the country duty free.⁷⁵ The extensive discretionary powers granted to the President under this bill immediately aroused the wrath of Congress. Why, legislators wanted to know, was such loose terminology employed when earlier briefings had specifically outlined the areas to receive aid and had broken down the amounts each would receive.⁷⁶

Unprepared to deal with a situation that had suddenly shifted from an isolationist-internationalist conflict to a quarrel between the legislative and the executive branches, the Secretaries of State and Defense were glad to meet

*An additional \$50 million for military aid to Greece and Turkey was continued under an existing authorization.

their congressional critics more than halfway by modifying the original bill. To secure acceptance of the amount requested, they agreed in the first week of August to make revisions limiting the President's power to send arms to any nation of the world.⁷⁷ The result of their conference with Senate leaders was the introduction of a new bill—H. R. 5895 and S. 2388—on 5 August. The new bill, in unambiguous terms, limited aid recipients to three groups: Title I, the NATO countries; Title II, Greece and Turkey; and Title III, Iran, Korea, and the Philippines. Title IV laid down the conditions of aid. The total amount remained the same—\$1.4 billion—but the allocations were somewhat changed: \$1.161 billion to NATO countries, \$211.4 million to Greece and Turkey, and \$27.6 million to the remaining nations. The controversial \$45 million set aside as an emergency fund to be expended at the President's discretion was eliminated, and in its place the revised bill permitted the transfer of up to 5 percent of the total sum from one group of beneficiaries to another.

The redrafting of the foreign military assistance bill left many questions still unanswered and a number of Congressmen dissatisfied. Where was the unified organization, they asked, that would distribute the aid to avoid the conflicts and waste which had allegedly plagued the European Recovery Program? And if this organization was not even in operation, why not delay military aid to Europe until the Atlantic Pact's Defense Committee had been established?⁷⁸

Administration officials had answers to these queries, but they were not consistent. Initially, they argued that the aid program was an interim arrangement designed to tide over the existing forces of Europe with U.S. equipment so that NATO would have a working base for its integrated defense plans.⁷⁹ Under pressure, they claimed that a unified organization for the defense of Western Europe already existed in the form of the Western Union. "It is a working reality," said Secretary Johnson, "and not a mere paper organization. Its common defense policy has been agreed upon. It has been studied by the Joint Chiefs of Staff, who consider it to be basically sound and in consonance with their strategic thinking."⁸⁰ Therefore, he concluded, congressional prerequisites for effective use of military assistance were met. Unfortunately, this line of reasoning discredited the concept of "interim" aid put forth by Secretary Acheson, and it received little support from other witnesses. General Bradley, reporting on the results of a recent JCS tour of Europe, gave no indication that the Western Union's plans were in anything but the preparatory stage.⁸¹ Furthermore, Secretary Johnson himself admitted that U.S. equipment could not be transferred directly to the Western Union because "it is not a sovereign entity which has the means of receiving and employing such equipment."⁸²

Johnson's testimony reflected American annoyance with the persistent claims of the Western Union to serve as the exclusive unit for distributing funds to Europe. Delay in sending aid would cause irreparable damage to the program of European defense by playing into the hands of the Communist parties of France and Italy.⁸³ But in accepting the principle of interim aid, Congress seized the arguments of the MAP's sponsors to whittle down the amount of aid authorized. In explaining the need for the immediate shipment of materiel, the Secretary of Defense had mentioned incidentally that delivery of equipment intended for foreign consumption would require from 6 to 9 months, by which time the North Atlantic Pact organization would probably be

in operation. Although this admission was intended to disarm critics who wanted only token assistance until a unified military plan was set up, those same critics regarded it as their key to the discovery of flaws in the structure of the program. Further probing revealed that only 56 percent of the goods authorized for shipment could be delivered by June 1950, and even that figure might be optimistic.⁸⁴ Undoubtedly, the life of this "interim" arrangement would continue for at least two fiscal years. Elaboration of these facts, accompanied by unsatisfactory rebuttals by the Administration, suggested to many legislators that if the bill could not be postponed, it should at least be reduced to an amount that could be obligated in one fiscal year.⁸⁵

Just as congressional pressure had earlier imposed exact limitations upon the President's authority to grant aid at his discretion, so it now forced a reassessment of the amount of aid to be given. Changes in the bill were immediately proposed. A 50 percent cut was sought for funds in fiscal year 1950 for the NATO countries, with the suggestion that the excised half billion dollars be placed under contract authority chargeable to fiscal year 1951.⁸⁶ With even more enthusiasm, House and Senate agreed to set a dollar ceiling of \$450 million for the value of materials and equipment sent to Europe.⁸⁷ On both of these issues, the Administration accepted congressional advice with good grace; the substitution of contract authorization indicated a change in form rather than substance, and the restrictions on shipment of excess equipment appeared to be a harmless precaution against excessive hidden benefits to the recipients.⁸⁸ Changes of this sort would have no appreciable effect upon FACC plans.

The FACC's relative calm over cuts in the amount to be authorized was a consequence of the limitations in the MAP itself in its early stages. While its long-range purpose was the defense of the West against external as well as internal attack, the framers recognized that the short-range objectives could be no more than a modest improvement in the Allies' capability to defend themselves. In fact, their best estimates were that the MAP, as then conceived, could delay, but not defeat, a massive Soviet assault. For fiscal year 1950, they envisaged an increase in the efficiency of ground troops already in being, along with limited training equipment of units to be mobilized by M+3, and little more.⁸⁹ If the prospect of military assistance encouraged the NATO allies in 1949, it was not because they expected new armies able to challenge any invasion from the East; it stemmed from the psychological comfort of U.S. assistance as a further earnest of participation by the United States in the alliance.⁹⁰

But Congress did not stop with the revisions described above. The House Committee on Foreign Affairs, reporting the bill on 15 August, added a new wrinkle to the withholding of MAP funds: The full amount requested under H.R. 5895 was recommended in theory, but in practice only the sum of \$655.84 million was approved for obligation during fiscal year 1950, and of this figure, \$157.71 million was not to be available until after 31 March 1950. The Senate version presented on 12 September was little more encouraging to the Administration. The Senate committees wanted the total authorization trimmed to \$1.314 billion, of which \$1 billion was reserved for the NATO countries. Half of the latter sum, however, was in the form of contract authority, and four-fifths of the remainder was to be withheld until an approved defense plan had been formulated by the North Atlantic Defense Committee. Hence, only \$100 million would be immediately available for the NATO nations,

although the other areas would hold their own, and China would receive an unexpected \$75 million.⁹¹

Disappointing as these revisions were, they were mild in comparison with other amendments introduced. In the Senate, two supporters of both NATO and the MAP, Vandenberg and Lodge, proposed to eliminate the sums provided to encourage arms production in Europe.⁹² Representative John M. Vorys suggested that technical training and funds for administration be deleted as well as the \$155 million for additional production.⁹³ These attacks seemingly struck at the peripheries of the bill, ostensibly to safeguard American interests while accepting the need for the program.

Yet the U.S. planners, particularly the ECC in Europe, understood fully the future and indirect implications of the MAP. The principle had to be established. Arms production in Europe was vital if Europeans were expected to develop an integrated defense system. But this development could take place only if the expanding arms industries did not destroy the economies of the countries involved. Congress failed to appreciate this line of reasoning in the summer of 1949 and imposed severe restrictions on the additional military production program.⁹⁴ None of the funds could be used to offset losses in export trade or to pay subsidies for increased production. The funds were primarily for materials and machine tools needed by European factories for arms manufacture. But at least the principle survived, however grudging its approval.⁹⁵

There was no doubt of Senator Vandenberg's object, but in other quarters sniping of this sort represented a rearguard battle against both the pact and the assistance program. Some of the opponents labeled the MAP a British plot against the U.S. Treasury or a scheme for the enrichment of the Rockefeller banking interests.⁹⁶ The arguments of others were more generalized. According to Senator Robert A. Taft, "this program is completely wasteful, completely illogical, completely vain in respect to what it proposes to accomplish; not only does it seem to me that it is contrary to every principle we have formerly pursued in connection with the United Nations; but I also believe it to be a policy which is dangerous to the peace of the United States and the peace of the world."⁹⁷ In the light of such expressions, it was not surprising that complete defeat and not mere modification was the expectation of critics like Representative William Lemke, who intended "to vote for all crippling amendments and then against the cripple."⁹⁸

The strength of the opposition forces did not suffice in the end to achieve complete defeat, just as it had not sufficed to reject the North Atlantic Treaty. But opposition efforts did succeed in withholding nine-tenths of the \$1 billion originally proposed for the NATO countries. The Senate plan of assigning \$500 million to contract authority and reserving \$400 million until the President had approved the NATO Defense Committee's integrated defense plans won the acceptance of the House - Senate conference on 26 September. The Senators in turn accepted the House proposal that the bill be entitled the "Mutual Defense Assistance Act," and the bill passed by a vote of 223 to 109 in the House and by voice vote in the Senate.⁹⁹ The President signed it on 6 October and the Appropriations Bill which implemented the authorization on 28 October. Thus ended what Senator Tom Connally had called the most difficult foreign policy measure since the passage of the Lend-Lease Act of 1941.¹⁰⁰ Aside from the advice of the JCS, the personal pleas of the President, and the apparent logic of necessity, pressure for passage had mounted after the meeting of the North

Atlantic Treaty Council on 17 September and the President's announcement a week later of an atomic explosion in the Soviet Union.¹⁰¹

The difficulties encountered by the MAP and the officials who formulated it were painful but not surprising. The program was admittedly a gamble: That Russia would not be provoked to war, that U.S. military and economic strength would not be taxed excessively, and that the aid would serve its intended purposes. None of these doubts could be resolved until they were tested. On a less speculative level, the program revealed structural faults which made it vulnerable to attack. The framers never made it clear whether their objective was mutual assistance built around integrated defense of specific areas or the stiffening of resistance to communism everywhere in the world regardless of the principles of mutual aid. They seemed to have had both ideas in mind, although not in equal measure. Understandably, the prospect of regional alliance cemented by an integrated defense program appeared a more attractive investment than the granting of military help to individual countries, and it followed that the non-NATO areas were slighted. The FACC therefore had only itself to blame for the congressional excision of aid to countries that had not joined the United States in regional arrangements and the consequent resentment of the unfavored lands; it had not stressed the importance of the role of Asia, Africa, and Latin America in maintaining world peace. Nevertheless, a beginning had been made in the work of extending U.S. help to other countries and regions, and Europe was the area that could most efficiently use it.

The long delay in obtaining congressional approval of the MDAP seemed equally inevitable. While the North Atlantic Treaty was a milestone in U.S. foreign policy, it was essentially a passive deed, requiring only organizational activity unless a particular territory was violated. The Mutual Defense Assistance Program was equally bold, but, unlike the Atlantic Pact, it required positive action. Superficially it had a precedent in the Lend-Lease Act of 1941, but that was a move made under great duress, a hope of warding off impending disaster with any means available rather than the product of carefully considered commitment to the strengthening of collective defense. Moreover, lend-lease connoted U.S. giving and European taking. The Greek and Turkish aid program of 1947, now encompassed within the Mutual Defense Assistance Act, similarly lacked the collective and mutual elements of the MDAP. While the ECA contained both, it was a program of economic recovery, with none of the fearful images raised by the idea of a military program.

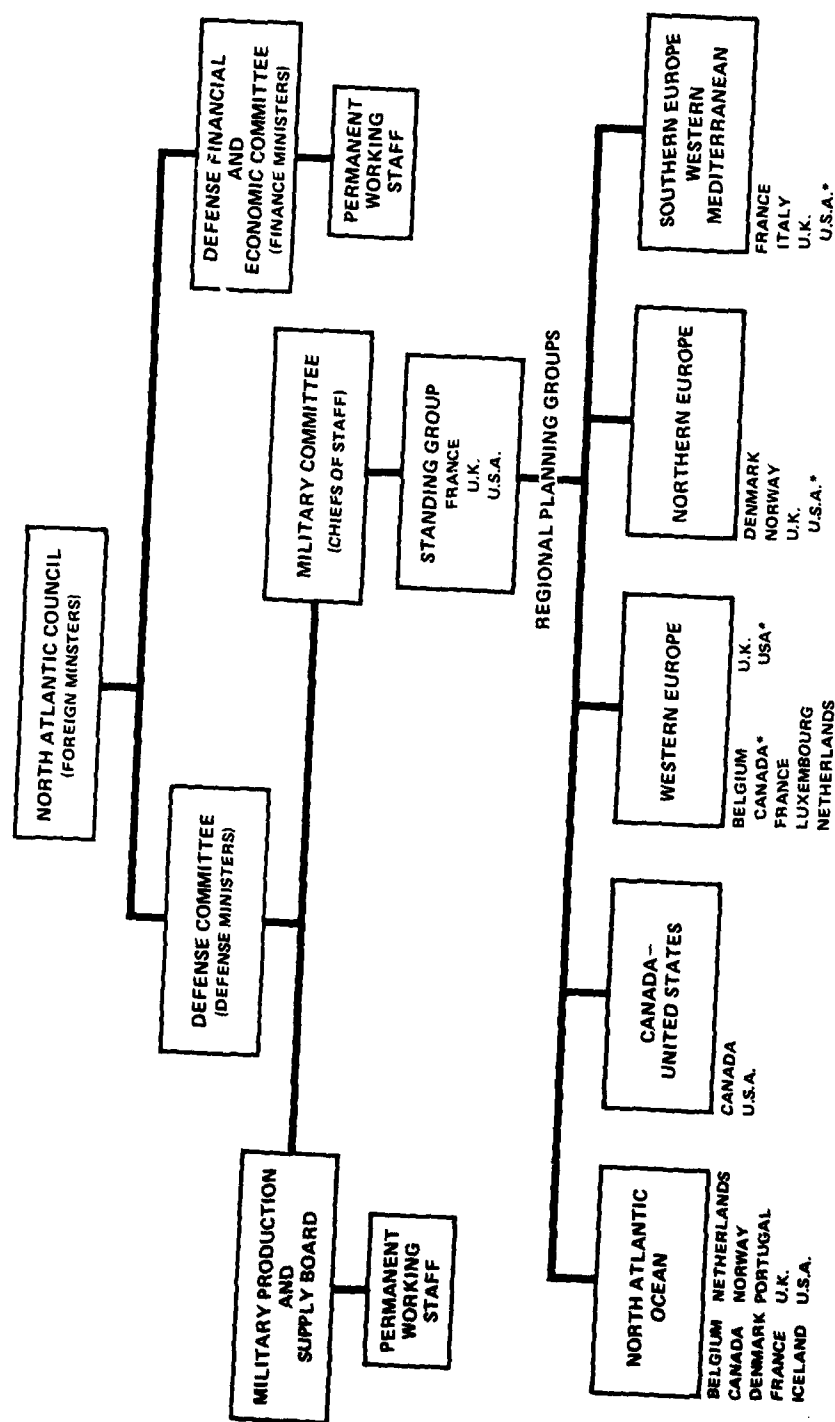
It was not surprising, therefore, that the MAP became the object of searching investigation by Congress. If it accepted the program, it also tried to protect U.S. control as best it could, no matter what effect this protectiveness would have upon the sensibilities of allies. The commitment, however, did require, according to Senator Kenneth S. Wherry of Nebraska, that the United States be "morally bound to continue those appropriations; and if we cut them off next year, even though within this act we can do so theoretically, yet my opinion is that we would be worse off, as far as the morale of those forces are concerned, if we did not continue it than if we had never started."¹⁰² Although these were the words of a bitter critic of MDAP, they represented also the feelings of those who accepted the responsibilities which its enactment would impose upon the United States.

The changes made during the course of the debate reflected many of the

Defense Department's concerns—specific concessions from the Allies, assurance that aid would be tied to a strategic plan, and a statement that no equipment would be transferred out of military stocks without the approval of the Secretary of Defense in consultation with the JCS. Yet, the course of events in the critical year 1949 was not controlled by the Secretary of Defense or by the Joint Chiefs of Staff. The leadership remained in the hands of the State Department throughout this period. Part of the explanation for this situation lay in the prestige of the Secretary of State in his first year of office as compared with his counterpart in the Defense Department, who did not seem able to follow the implications of the MAP.

But the reasons for the State Department's predominance in a program dependent on the military Services for its implementation went deeper than the personal qualities of the respective Secretaries. The JCS had never regarded military assistance as an opportunity for enlarging their powers. On the contrary, they feared it initially as a drag upon preparedness at home, a drain upon their limited budgets, and a waste of resources on nations unable to withstand invasion. Indeed, their acceptance of State leadership arose partly from their need for the political support of the State Department. The threat of financing the MAP from current military appropriations had come from the Bureau of the Budget and had been turned aside with the help of the State Department. But military planners recognized that military aid could make no appreciable difference to the defense of Europe for the immediate future in the face of a major Soviet offensive. Not even the guarantee of new base facilities or the assurance of an integrated European force could change that fact.

1. NATO ORGANIZATION FOR IMPLEMENTING THE MUTUAL DEFENSE ASSISTANCE PROGRAM, DECEMBER 1949



Source: Lord Ismay, Secretary General of NATO
NATO: THE FIRST FIVE YEARS, 1949-1954, p. 26.

* Consulting members

CHAPTER IV

Administration of the Mutual Defense Assistance Program October 1949 – January 1950

Organization

The task of administering the new program fell logically to the various bodies which had been set up earlier to draft an aid bill for presentation to Congress.* The FMASC, the FMACC, and the ECC, with their tripartite representation, continued to function as coordinators. On the FMACC level, immediately below Cabinet status, a few additional offices were created, reflecting the new responsibilities imposed upon each of the participating agencies—State, Defense, and ECA. James Bruce, Director of Mutual Defense Assistance and Special Assistant to the Secretary of State, replacing Lloyd V. Berkner as Chairman of the FMACC, took office on 17 October 1949. Also appointed to FMACC were Maj. Gen. Lyman L. Lemnitzer of the Defense Department and Edward T. Dickinson, Jr., of ECA.¹ To help State provide policy guidance to ECA and MDAP programs, State established an Office of European Regional Affairs in the Bureau of European Affairs in the fall of 1949, headed by Edwin M. Martin, who remained on the staff of the MDAP Coordinator in the office of the Secretary of State as assistant for European MDAP programs.

Unlike the representatives of the State Department and ECA, who reported directly to their department chiefs, Lemnitzer did not report directly to the Secretary of Defense. However, he did enjoy easy access to Maj. Gen. James H. Burns, USA (Ret.), Assistant to the Secretary of Defense for Foreign Military Affairs and Military Assistance. Operating under General Burns, Najeeb E. Halaby, Jr., took charge of the Office of Foreign Military Affairs and General Lemnitzer, the Office of Military Assistance. The latter served as the formal administrative channel between the State Department's director of the program and the various components of the Defense Department and provided

*The organization that quickly evolved in the United States and abroad to administer the new Mutual Defense Assistance Program was as complicated as it was extensive. The organization chart, on page 84, footnote, on page 24, and List of Abbreviations, on pages 177–78, are intended to ease the reader's passage through the numerous acronyms.

“unified direction and authoritative coordination” for all activities connected with the military aspects of the MDAP. With Lemnitzer’s advice, the Joint Chiefs of Staff were to develop broad military criteria and policies for the program and direct all Department of Defense military agencies overseas that participated in MDAP. The detailed implementation of the program—the provision of personnel and facilities, the procurement of new equipment, the rehabilitation of existing stocks earmarked for the program, the furnishing of training and technical assistance, and the actual flow of supplies to the various recipients—remained with the individual military departments. At all times careful consideration was to be given to recommendations of the Munitions Board concerning the economic aspects of the MDAP as they related to its impact on U.S. mobilization requirements, industrial potential, and economic stability.²

Overseas, the groundwork for the Military Assistance Program for the Western Union countries had been prepared by the ECC, which continued as an advisory body to the Secretary of State and the FMASC to insure coordinated action by the three agencies represented. Lt. Gen. Thomas T. Handy, USA, Commander in Chief of U.S. Ground Forces in Europe and Senior Military Representative for Military Assistance in Europe, served as military member of the ECC.

In recognition of its importance under the MDAP and the new NATO structure, the ECC was given an Executive Director, Lt. Col. Charles H. Bonesteel, III, USA, and General Handy was provided with the staff services of the Military Assistance Program Advisory Group (MAPAG) set up to supervise the activities of the various country Military Assistance Groups.³ The MAAG’s, responsible for the programming and use of military aid equipment, were to be the core of the country-level staff, but they were to be subordinate to the chiefs of the diplomatic missions in the countries concerned, who would exercise authority over the MAAG’s through special assistants for mutual defense assistance.⁴

This pattern applied only to the NATO area. The ECC had no connection with the MAAG’s of other nations scheduled for aid under the MDAP, and no similar regional arrangements were planned for other areas. The MDAP for the Near and Far East was tailored to the special needs of the individual countries. As in the NATO countries, the chief of the diplomatic mission had responsibility for the conduct of the local program, which would be administered not by a special mission but by the chief of the existing military advisory group.⁵ Such a plan was advisable, because in many countries outside Western Europe—Iran, Korea, the Philippines, Greece, and Turkey—military missions had been established earlier, either to train troops or to handle previous military aid programs. Whatever new guarantees the United States might require under the Mutual Defense Assistance Act of 1949 could be achieved through separate bilateral negotiations.⁶

More difficult than any of the problems of organization was the integration of the military assistance structure into the newly established North Atlantic Treaty Organization. The two programs were intimately related from their very beginnings, with the MDAP as the chief means of supporting plans proposed under the treaty. All through the summer of 1949, while Congress debated the Mutual Defense Assistance Program, the NATO organization was in the process of forming. When the military aid bill became law in October 1949, the North Atlantic Council had already met, and its subordinate agencies—the

Defense Committee, the Military Production and Supply Board and five regional planning groups—were preparing to begin operations.⁷ Official connection between the two organizations was established through the provision in the Mutual Defense Assistance Act for the President to approve the strategic defense concept formulated by the Council and the Defense Committee before the bulk of the money appropriated for military aid could be made available to the recipients. This meant that the complicated treaty had to be adjusted promptly to the demands of the Mutual Defense Assistance Act.⁸

On the organizational level, NATO and MDAP were fused first of all in the duties of General Handy, who, in addition to his other duties, was the U.S. representative on the Western European Regional Planning Group of NATO. Together with Lt. Gen. John K. Cannon, USAF (Commanding General, U.S. Air Forces, Europe, and representative to the Northern European Regional Planning Group) and Admiral Richard L. Conolly, USN (Commander in Chief, U.S. Naval Forces, Eastern Atlantic, and representative to the Southern European–Western Mediterranean and Mediterranean Regional Planning Group), Handy was a member of the JCS Joint Representatives, Europe, Committee set up overseas by the Joint Chiefs of Staff to insure coordination between United States activities connected with the implementation of the Mutual Defense Assistance Program and United States participation in NATO at the military policy level. This body was to provide guidance for the Joint American Military Advisory Group (JAMAG), headed by Maj. Gen. A. Franklin Kibler, the former U.S. representative on the Western Union Chiefs of Staff Committee, in its effort to achieve coordination in military planning between the two organizations. JAMAG, in turn, was composed of two staffs, each headed by a Deputy Director. One of these staffs, MAPAG, would deal exclusively with MDAP matters while the other, Planners for the North Atlantic Treaty (PLANAT), would aid in the regional planning groups of NATO.⁹

General Kibler interpreted the functions of MAPAG to be strictly limited to supply action and anticipated that the NATO Standing Group and Military Production and Supply Board would assume some of the duties formerly performed by the military assistance units, such as reviewing statements of deficiencies and determining equipment requirements in the North Atlantic area. He expected, however, that his two groups—MAPAG and PLANAT—would complement each other, and suggested that the “cut-off point” would come logically after the list of deficiencies had been approved and was ready for requisitions from the participating nations. Nevertheless, General Kibler realized that there was no clear-cut dividing line in practice between military assistance and military planning and that the difficulties encountered in allocating zones of responsibility would hamper the effectiveness of both subordinate units.¹⁰

A clearer picture of the problem came from Defense Department officials. Their conception tended to increase the importance of the MDAP role. For the fiscal year 1951 program, NATO was first to develop recommendations for an integrated defense of the North Atlantic area and submit them to the U.S. Government through diplomatic channels. After obtaining approval from the Defense Department and the President, the MDAP organization, as the U.S. implementing agency, would then prepare lists of deficiencies. Integration on a regional basis of these country requests would be effected by the appropriate regional organization of NATO and then submitted to the MDAP again for screening in accordance with the JCS military policy guidance. The tentative

program developed from these operations would be submitted to the Director of Mutual Defense Assistance for approval after individual country checks had been made with the help of NATO's regional organizations. Thus, planning procedures would inevitably intertwine NATO and the MDAP organization.¹¹

The future of NATO-MDAP relations and the associated problem of a multilateral vs. unilateral approach to military assistance remained to be settled in the fall of 1949, for they were problems that could not be resolved for the present, and it was always possible that the difficulties might work themselves out in practice. A hopeful augury of this solution was the way in which the equally knotty but more immediate problem of Western Union-NATO relations was being resolved. According to plan, NATO organizations were to assume the functions of Western Union which touched upon the activities of MDAP. The Western Union Military Supply Board, on which the United States had an observer, was to be absorbed by the NATO Military Production and Supply Board, of which the U.S. member was chairman.¹² Similarly, the Western Union Finance and Economic Committee was to be incorporated into NATO's Defense Financial and Economic Committee. Until the NATO groups were fully organized, however, the Western Union committees would not only continue their accustomed operations but also would handle MDAP matters for other Western European nations.¹³

The First \$100 Million

Although the integration of the MDAP and NATO committees was still in the paper stage in the fall of 1949, this was not a major obstacle in the way of effective execution of MDAP. Under the terms of the Mutual Defense Assistance Act of 1949, the completion of detailed bilateral agreements with each recipient nation to secure proper utilization of United States money and equipment was as necessary a prerequisite to the release of \$900 million in funds and in contract authority as was the President's approval of the North Atlantic Council's strategic defense plan for the NATO countries.¹⁴ As both these requirements would consume considerable time before being met, the problem at hand was the disposition of the \$100 million made available immediately upon appropriation.¹⁵

Appreciating the importance of time, the Defense Department had prepared a detailed request for funds amounting to \$61.85 million even before appropriations had been approved by the Congress.¹⁶ It also intended to utilize the RFC advance allowed under the terms of the Mutual Defense Assistance Act. The State Department, for its part, was willing to cooperate fully with Defense, and even urged it to begin contract negotiations with U.S. firms for immediate purchase of equipment. This zeal was somewhat checked by the congressional bar against negotiations until all conditions were met, and by the ultimate scaling down of the Defense allotment to little more than half the total requested. Funds for Titles II and III were withheld from the interim program.¹⁷ Nevertheless, the Office of the Secretary of Defense still had in hand an ambitious schedule that called for the distribution of more than \$32 million to the procurement agencies and the financing of survey groups and personnel for both Washington and overseas duties.¹⁸

One of the purposes behind this rush of activity was to send over as many token shipments to the Title I countries as possible for the psychological value

they might have abroad.¹⁹ These shipments would contain items of equipment that would lend themselves to favorable publicity as well as fit into the overall program worked out by the MDAP planners.²⁰ Such action appealed to the ECC because it might offset criticism abroad of the inevitable delays between the date of congressional appropriation and the date of final delivery.²¹ Communists and nationalists in Western Europe had already made capital out of the slow progress of the assistance program during the past summer because of the prolonged deliberation in Congress.²²

Under these circumstances, it is not surprising that the idea of an airlift, modeled on the system used in the Berlin blockade, found its adherents.²³ What better way of dramatizing the importance of the aid program and the speed with which the United States could implement it! Unfortunately the spectacle of the operation lost much of its luster upon close examination because the shipments made by air would be of little real value to the recipients. The result of such a venture, therefore, could cause the entire program to be written off as nothing more than an unsuccessful advertising campaign.²⁴ Morale would be hurt rather than helped by such an occurrence. Moreover, items that did not require time-consuming rehabilitation, such as heavy radar equipment, were not suitable for air delivery, and of those items that might be considered suitable, many were rejected on the grounds of excessive cost.²⁵

What was true of the air deliveries proved equally true of other types of token shipments. They constituted a propaganda weapon which could easily be turned against its wielder. While initially spectacular, a token delivery of any kind of materiel would be counteracted by the time lag which would occur before U.S. military supplies could begin to arrive in significant amounts. Sober appraisal brought out that little of the aid planned for the Allies would be of much use until a more careful examination of the country lists could be made. But even granting that the survey teams had completed their work and the exact requirements were known and approved, it would take at least 80 days before a sizable load could be delivered. This figure included an estimated 60 days for preparation and movement to port plus 20 days for loading and transit.²⁶ Judging from the experiences of shipments under the Greece-Turkey military aid program, however, 120 days was not considered too high as a minimum figure by some military authorities.²⁷

When these considerations were combined with the statutory ban on deliveries until the strategic plan of NATO had been approved and until the bilateral agreements had been signed, the idea of token shipments was abandoned. The best use to which the \$100 million could be put would be to initiate supply action as quickly as possible so that goods could be prepared for shipment as soon as possible. Using these funds, the Department of Defense could then proceed with the rehabilitation of materiel from excess stocks and with the provision of financial support for administrative and operational activities necessary to the completion of the final program.²⁸

There was no occasion for complacency on the part of the MDAP officials. Although inability to utilize effectively all that was authorized permitted some relaxation of the timetable, it also invited the unwelcome attention of the Bureau of the Budget. In December 1949, the Bureau jarred MDAP officials with a recommendation that no new obligational authority under Title I be made for fiscal year 1951 as the monies for 1950 could not be expended. The Bureau suggested that the unobligated portion of the 1950 budget be

reappropriated for the following year since the slow progress of NATO planning made it unlikely that a more ambitious program could be submitted to the Congress for the next fiscal year. If new obligational authority should be sought, the funds should be reduced from the amount requested of the Bureau by a sum equal to the fiscal year 1950 monies that had not been obligated by June 1950. Under Secretary of State James E. Webb was concerned particularly about "the attitude of mind which it indicated." Although the danger had passed when the Budget Bureau's state of mind did clear, it was obvious that if such an idea could occur to the executive branch, it could also occur to the legislative.²⁹

JCS Considerations

From a long-range point of view the manner in which the \$100 million would be distributed seemed a relatively academic matter to the JCS planners. The strategic assumptions behind the foreign aid program rested on the hope of the United States and her allies to prevent the loss or destruction of Western Europe and the Middle East by developing the defensive capabilities of the nations in those regions to the point where they could deter potential aggressors, and, failing that, contain invaders.³⁰ Neither of these goals could be achieved during fiscal year 1950 no matter how much money was appropriated for the purpose.

Money was, of course, a vital factor in any short-term consideration, but the specific amount to be made available was not of especial importance. What had to remain constant in any reprogramming of the plans made in the winter of 1949 were certain political factors: (1) No country previously included in the aid program should be eliminated in the revision of the program; (2) within the Western Union as many of the original estimates as possible should be retained for France; (3) in any reduction, Danish and Norwegian funds should be reduced proportionately less than those of the other NATO recipients. These were real issues in the diplomatic arena where inculcation of a spirit of resistance was the first step in counteracting communism.³¹ France as the principal contributor to armed power in Europe had to receive special attention, as did the Scandinavian countries, still not fully convinced that membership in NATO and the benefits of the United States aid program were worth the risk of offending their neighbors on the Baltic Sea. Sweden already had chosen not to take that risk.

Another constant in the considerations of the JCS was the roles and missions of the various Allies in the mutual security effort. The specific duties of the Allies would stem from the implementation of the strategic concept of North Atlantic defense. While the concept had not been officially formulated and could not be formally accepted until the NATO bodies were organized, it had been worked out long before by JCS planners. Congressional attention to this aspect of MDAP now made it necessary that the final strategic plan be in strict conformity with the policy of balanced collective forces, and that any deviations be kept at a minimum.

The goals of the short-range program were considerably more flexible than were the missions of the individual countries or the political factors governing the division of funds. The existing ground combat units of NATO countries would be brought to an operational state in training and equipment and

provided with 15 days' supply of ammunition for these troops. The air forces would be equipped for tactical bombing and for air defense with supplies of spare parts and some training planes. The emphasis in the navies, except for that of the United Kingdom, would be on the provision of minelayers, mines, and antisubmarine equipment in general for the control of strategic harbors and waterways.³²

Because of these modest objectives, the action of Congress in reducing the original requests for funds did not disrupt the schedule of the JCS. Under no circumstances could security in Europe be obtained during fiscal year 1950, and in the certainty of that knowledge the JCS realized that the principal value of U.S. aid lay in the psychological stimulus it might have in facilitating self-help and mutual aid among the Allies, and in the process of building forces. Whether the total was \$750 million or \$1,250 million would not immediately affect the work of the MDAP if the amount finally made available was skillfully applied. Anticipating congressional cuts, JCS had hypothesized in September a \$900 million program for the Title I countries, only a million dollars less than that ultimately authorized and appropriated. Obviously the JCS were prepared for any conditions which the Congress might impose upon the aid.³³

Survey Teams

Essential to the release of funds for the implementation of the MDAP was a thorough reexamination of the requests submitted by the potential recipients. Military planners on both sides of the Atlantic recognized that the lists were tentative and incomplete, and that many of the items requested were in conflict with both the congressional requirement for efficient utilization and the NATO requirement for conformity with an overall strategic plan.

Reports from France had already indicated that each of the French military services had presented budget needs without consulting the plans of the others. They seemed to regard the MDAP as an opportunity for their own expansion rather than a means of filling in particular gaps in France's capability for self-defense. The French Navy, for example, anticipated the construction of several large aircraft carriers which the country could not afford and which NATO did not need.³⁴

Few countries could resist also the temptation to use U.S. arms in place of those which they could easily have afforded and which they might have financed themselves had there been no MDAP. The Netherlands proposed to abandon its program for building six destroyers needed for sea patrolling duty because an equal number were expected from the United States under the MDAP. This would have undermined the purpose of mutual aid; the obligation of the recipient was to increase his efforts for self-defense, not to relax them.³⁵

To protect the U.S. investment abroad, the bilateral agreements were to be completed only after special investigating teams had surveyed the current capabilities and actual needs of the nations in the North Atlantic alliance. State Department representatives were to head these teams, which also included military personnel.³⁶ Instructions which State and Defense representatives took with them to their talks with NATO allies indicated that the bilateral agreements must be signed before the meeting of the Defense Committee in Paris on 1 December. Worried about apparent apathy abroad, the officials

stressed the importance of the bilateral pacts as a means of accelerating the integrated defense program.³⁷

The first issue to be handled was the disposition of U.S. lend-lease items already in Europe, which would be more useful to the defense of Europe in the hands of some ally other than the original beneficiary. As early as July 1949 the FMACC had named Robert B. Eicholz head of a mission to consult with European officials about the best means for deriving the maximum use from U.S. equipment held abroad. Europe was given the opportunity to adjust existing lend-lease and surplus property agreements in such a way that the resulting transfers of equipment within Europe would provide a striking example of the mutual aid principles in action.³⁸ A redistribution of surplus materials in Europe might well reduce the amount of deficiencies plaguing NATO defense planning and increase the value of the Mutual Defense Assistance Program beyond the expectations of Congress.

Attractive as this idea appeared to everyone concerned, it was by no means a simple matter to carry it out. In the first place, Defense officials, particularly Secretary Johnson, had felt that any proceeds from the retransfer of lend-lease goods should accrue to the United States. Shortly after assuming office in April 1949, Johnson had suggested in a letter to the Secretary of State that the 1948 agreement whereby the United States relinquished its rights to the proceeds of any retransfers of lend-lease articles to third governments for military use be amended on the grounds that the United Kingdom's profits from items paid for by the United States would impose an unjustifiable burden on the American taxpayer and dispose the Congress to an unfavorable view of the Military Assistance Program. It required considerable explanation on the part of the State Department to budge Defense officials from this position.³⁹ Secretary Johnson, however, took the lead in presenting State's case to the civilian Secretaries after he saw the possible savings to the military assistance programs in these retransfers within the countries of the Western Union. Ultimately the Defense Department agreed to sanction the practice, if it could withhold consent to the transfer of former U.S. goods to countries not connected with the regional defense system.⁴⁰

Dissatisfaction with various aspects of the retransfer idea also appeared among the Europeans, who did not all agree on the proper way of arranging for the transfer of excess goods. Should a country like Britain, for example, supply from its considerable stocks of U.S. origin the needs of France, Belgium, or the Netherlands without receiving compensation either from the United States or the continental countries? ⁴¹ Potential beneficiaries⁴² of Britain's lend-lease equipment regarded the problem as a simple one of following the U.S. precedent with lend-lease, shipping military parts as needed from one country of the Western Union to another and letting production costs lie where they fell. The British, on the other hand, wanted to be sure that there would be no inequality of sacrifice. They looked with favor upon the idea of basing the financial obligations of each country on the average percentage of the national income devoted to defense expenditures.⁴³

The United States could not fully subscribe to the British approach without being committed to an even larger contribution than it had already made. In common with the Western Union representatives the United States wanted to encourage a country like Belgium, which spent proportionately less on national defense than its more hard-pressed neighbors, to part with a share of the \$25 millions' worth of surplus property remaining to it on terms favorable to the

Allies.⁴⁴ Belgium for its part wanted full value through barter transaction for any stock it transferred.⁴⁵

At the initiative of Belgium and with the backing of the United States, the Finance and Economic Committee of Western Union undertook to find a solution. Belgium's Office of Mutual Aid introduced the idea of placing all surplus military stocks in Western Europe into a pool with a clearing system, independent of the OEEC/ECA structure, which would arrange for exchanges among the NATO members.⁴⁶ According to this plan, the Belgian Government would either offer stocks at low prices in Belgian francs to be spent within Belgium by nations receiving stocks, or offer to establish the Office of Mutual Aid as NATO's administrative agent to handle the transfer of surplus material. Military equipment would be sold at nominal cost, while nonmilitary items would be sold at 50 percent of current selling price, with all exchange to be paid in currencies of nations receiving the equipment.⁴⁷ The concept of an international machinery working out a system of credits to the mutual advantage of all the NATO countries had universal appeal, although the United States, aware of Belgium's special interest in being relieved of the costs of the Office of Mutual Aid, wanted to make sure that its own interests would not suffer through such an arrangement.⁴⁸

With the endorsement of all the NATO powers it was hoped that some equitable solution might be worked out, and it was left to the Defense Financial and Economic Committee to decide whether an international agency would perform only bookkeeping and reporting services or whether it would be given powers to direct the allocation of materials and services available for common defense. This, of course, would extend to all kinds of surplus material and services, not just to lend-lease goods.⁴⁹

Considerably less latitude in the search for a solution was allowed the survey teams sent over in November to the non-Western Union countries of Norway, Denmark, and Italy under the supervision of Richard B. Freund, C. Gray Bream, and Leonard Unger, respectively.⁵⁰ Their mission was to discuss with recipient countries the tentative programs devised by U.S. officials for supplying materials and equipment, to ascertain the degree to which these programs fitted the views of the recipients, and to establish a basis for determining a firm list with appropriate priorities. After some hesitation, it was also considered advisable to send a special team to discuss the prospects for increased military production in Europe.⁵¹ Funds for additional military production abroad remained a sore point in Congress. Even when the House and Senate Appropriations Committees admitted a year later that an allotment of \$85 million would result in the production of military supplies worth \$480 million, they required repeated assurances that none of the funds would be used to finance building of new plants which might compete with their American contemporaries.⁵²

The surveys took place during November. The teams had an opportunity to present the revised program in the European capitals, but little chance to do much more than that. European diplomats could not change the statutory provisions inserted by the U.S. legislators, nor could U.S. officials change the still weak and poorly integrated requests submitted to the United States in the previous spring. The survey teams had to accept what they found if they were to initiate supply action upon completion of the bilateral agreements. This situation applied also to the additional military production program.⁵³

The survey teams sent to Iran, Korea, and the Philippines—the Title III countries—encountered somewhat different problems from those facing the

representatives who went to Europe. In the Middle and Far East there was no expectation that the recipients would contribute to a regional organization or undertake a rearmament program. U.S. interests in those countries would be better served by improvement in diplomatic relations than by the modest increase in the capability of the armed forces through training procedures and a limited supply of arms for protection against foreign and internal threats. The survey missions were to assuage any possible affronts to national pride because of the small amount of aid and return home with a firm program agreed to by the recipient countries.⁵⁴ The ground had to be carefully prepared for the bilateral agreements. In Iran, for example, the government had anticipated as much as \$500 million from the MDAP, and it required the most skillful diplomacy to prevent traumatic effects from a program that would permit Iran to have only a portion of a \$27 million grant.⁵⁵ The promise of tanks and the understanding that the value of the goods would far exceed the dollar figures helped mollify the Shah and eased somewhat the task of the State-Defense survey team in fitting the funds to the military requirements of the country.⁵⁶

The survey teams, however, could not settle basic problems inherent in the military aid program, either in Europe or in Asia. Both sides faced two basic facts which could not be altered essentially during the life of the 1950 program, namely, congressional restrictions on the terms of the aid and the necessity of accepting each recipient country's evaluation of its own deficiencies. Most of the discontent with the MDAP arrangements remained to be dealt with during the negotiation of the bilateral agreements in Washington.

Bilateral Agreements

Negotiations with the NATO countries over the bilateral agreements began in Washington on 3 November under the leadership of Walter Surrey, special consultant to the Director for Mutual Defense Assistance. The principal provisions proposed by the United States included: (1) Arrangements for securing base and other specific military operating rights; (2) a commitment assuring the United States of reciprocal aid, with each party supplying the other with materials it needed for defense production; (3) maintenance of U.S. control over the retransfer of MDAP items; (4) protection of the United States against patent claims and suits by nationals of recipient governments; (5) diplomatic immunity for members of the military advisory groups; (6) subsequent negotiations for East-West trade control; and, above all, (7) a guarantee that all aid shipped under the program would be used to promote an integrated defense of the North Atlantic area.⁵⁷

None of these articles should have come as a surprise to the European countries. They represented the wishes that Congress had written into the Mutual Defense Assistance Act of 1949 in Section 402 of Title IV. Moreover, many of these provisions had been included in the bilateral agreements that followed passage of the Foreign Assistance Act of 1948. Nevertheless, the contents of the proposed bilaterals aroused renewed opposition from most of the NATO participants, possibly because the object this time was not economic recovery but rearmament, and the detailed requirements resembled too closely the type of control exercised by a great power over its satellites. Compared with the ECA program, the risks seemed greater, the rewards fewer, and U.S. bounty more burdensome.⁵⁸ U.S. disclaimers notwithstanding, the provision requiring

U.S. observation of the "utilization" of military aid suggested an interference in the internal affairs of the recipient countries. The requirement that the assistance be subject to "such other applicable laws as may hereafter come into effect" in addition to the Mutual Defense Assistance Act sounded as if recipients would be bound by the dictates of future U.S. legislation.⁵⁹ There was also some feeling that the United States was perverting the principles of the North Atlantic Treaty by requiring these agreements to be negotiated bilaterally. The Belgians, for example, stated several times that they and other governments wished to use the Brussels Pact machinery to compose a common draft. If concerted action was the motif of the regional organization, the U.S. proposals seemed to be a step backward.⁶⁰

Many of the NATO countries had individual grievances and problems that were exacerbated by the bilateral agreements. Thus Britain protested vigorously against the provision in Article I prohibiting the transfer to any other nation of "any arms or military equipment similar to or substitutable for arms and military equipment identifiable as having been fabricated with or by means of equipment, materials, or services so furnished to it without prior notification to the other Government." This might mean that no exchange of arms between the United Kingdom and the Commonwealth could be made without notifying the United States.⁶¹ France also vehemently opposed this article because it lent credence to the Communist charge that the MDAP had placed France in bondage to the United States.⁶²

To each of these complaints the United States gave complete and sympathetic attention. The negotiators sought not only to avoid the stigma of dictating the provisions but also to impress upon the recipients that a "mutuality of interest" was the basis for each of the articles in the bilateral agreement.⁶³ A change in wording sometimes silenced the complaints. Thus, U.S. military advisory groups would not observe the "utilization" of aid abroad; they would observe its "progress." As for the British and French fears about the export of their own manufactures made with U.S. materials, these were allayed by completely omitting the offending provision.⁶⁴

Unfortunately, much of the good will won on these matters was lost in the negotiations on sensitive issues which aroused the emotions of the recipients but which could be sacrificed by the United States only at the expense of its national interest. One of these was the mention in Article VI of the proposed bilateral agreement of an advisory group to supervise the disposition of U.S. aid from the vantage point of the recipient nation's capital. The idea that Americans by themselves should set up a headquarters in a foreign capital to observe how their assistance was being utilized was annoying and humiliating to Europeans; NATO, they felt, should have the job of deciding the proper employment of weapons and equipment.⁶⁵

For the most part, the points raised by the NATO countries against sending U.S. advisory groups had a good deal of justification. Denmark, remembering vividly the Nazi occupation, feared that comparisons would be unavoidable; Norway, having suffered a similar experience, shared these fears and wondered why the United States had planned to send over a military mission of 60 men, larger than the entire Norwegian Foreign Office staff.⁶⁶ All the countries worried over the political advantages that enemies of NATO—Communists, nationalists, and neutralists—would derive from the spectacle of Americans in uniform roaming their capitals, occupying lavish quarters in cities where housing was scarce, eating the best food in places where the

necessities were rationed, and unwittingly giving the appearance of a conquerer. Italy, furthermore, raised an economic argument against the missions. The Italians seemed to be disturbed less by the threat of American imperialism than by the possibility that they would have to pay for the upkeep of a large U.S. delegation.⁶⁷

But after all the political and economic considerations against the military missions had been weighed, one great argument remained—national pride. Concern for its honor impelled France to ask that the word “advisory” be stricken from the text of the bilateral agreement, while Britain held out to the last against granting full diplomatic status to the members of the MAAG’s.⁶⁸ The title, size, or privileges of the groups were never the real issue in France; the very existence of such groups was the heart of the matter.⁶⁹ France would have preferred, as would the other Allies, that the Brussels Pact arrangement covering the status of military personnel of one member when on another’s territory be applied to MDAP personnel.⁷⁰

The United States could not relinquish its position because Congress required assurance that U.S. equipment would be properly ordered and effectively handled, and only U.S. specialists could perform this task satisfactorily. But every effort was made to make the presence of the military missions as palatable as possible to the recipient nations. The size of missions could be modified. Originally, plans had called for considerable increases in military personnel in each of the European capitals—additions of 63 in Copenhagen, 66 in Oslo, 88 in Paris, 66 in Rome, 57 in Brussels, 59 in The Hague, and 25 in London—but these numbers were reduced by one-third.⁷¹ To further obviate criticism, no missions were to be sent to Europe until the bilateral agreements had been concluded, and those sent to Title I countries were to wear civilian clothes.⁷²

The Europeans also objected to another article in the bilateral agreements—the provision restraining trade in strategic materials with Eastern European countries. The control of East–West trade was an issue very much in the minds of U.S. officials, and various steps to restrict the export of materials affecting national security had been undertaken since 1948. On 1 November 1949, the eve of the bilateral negotiations, the Department of Commerce announced that export license controls had been extended on nine classifications of refined oil to all countries except Canada. Two other announcements followed on 4 and 10 November placing similar destination controls on 160 additional items considered important to U.S. security.⁷³ It seemed only natural that the arrangements made between the United States and the recipients of military assistance should reflect this concern about the reshipment of U.S. goods to Communist-dominated nations.

The Europeans did not share these concerns, and if the U.S. viewpoint was appreciated at all, it was overshadowed by what to the recipients were more important considerations. They thought not in terms of the hardship the Soviets would suffer if vital materials were cut off but of the economic consequences to themselves if they suspended trade with the Iron Curtain countries. Such a policy, they feared, would undo all the benefits of the ERP and ultimately destroy the basis of a sound rearmament plan. Although they all recognized the danger to their own security in the growth of Soviet imperialism, their economic ties with the satellite countries and with the Soviet Union itself were too important to their national economies to allow a sudden disruption, even if such a break would lessen the Communist threat. This trade with Eastern

Europe involved for the most part no currency exchange, and if such materials could no longer be secured through barter, they would have to be sought from the United States at the cost of a drain on scarce dollars. It was unlikely that the United States would take European imports in exchange for its help, which meant that the loss of Soviet markets could cause unemployment in Europe's factories.⁷⁴

These were the basic objections of the Allies to the U.S. policy of trade control, although their arguments were not usually articulated in precisely these terms. They argued rather on grounds that might evoke more sympathy from the United States, such as the danger that native Communists might regard U.S. insistence on export controls as unwarranted interference in a country's domestic affairs or that the Soviet bloc might be provoked into some form of revenge.⁷⁵ While the idea of preventing war materials from falling into Soviet hands appealed to all the Allies, they almost unanimously were disturbed over the prospect of placing the export control program within the framework of the North Atlantic Treaty Organization.⁷⁶ If NATO was to be considered a defense plan, it should not be compromised by appearing to organize economic warfare against a particular group of states. To do so would antagonize not only the Soviet bloc but also non-NATO friends such as Switzerland and Sweden.⁷⁷

The firm opposition of Europe ran directly counter to U.S. plans for increasing the effectiveness of earlier East-West trade controls. Under the Foreign Assistance Act of 1948, the United States had prevented retransfer of commodities made from Marshall Plan aid but had relied on parallel action in Western Europe to stop the major flow of war materials to the East. For the reasons cited, this voluntary system had proved a failure. U.S. officials, particularly those in the Department of Defense, wanted to stop all trade in war materials with the Soviet bloc. Defense officials sought, over State Department opposition, to insert a provision in the bilateral agreement controlling the exchange of technological and manufacturing data which would be useful to the Communists. State's argument, concurred in by the ECA, rested solely on the futility of attempting to restrict the flow of technological information among the European governments when the United States lacked a policy of protecting its own data.⁷⁸ Thus, the Commerce Department's announcement on 10 November, calling on U.S. businessmen and others concerned to consult with the Department's Office of International Trade before exporting advanced technical information, did much to restore unity among the U.S. planners in their efforts to deprive Communist satellites of material helpful to their military preparations.⁷⁹

Strong support for the inclusion of an export control provision in the bilateral agreements came from Ambassador Harriman, the Special Representative in Europe. He admitted the inability of ECA to induce Western Europe to follow U.S. leadership despite the requirement of the Foreign Assistance Act of 1948. He recommended that the primary responsibility for directing control procedures be transferred from the ECA to the State Department, and stressed that the Allies should recognize the importance which the United States attached to export controls as a factor in mutual aid.⁸⁰ Harriman claimed that the mutual security commitments of the Atlantic Pact seemed to offer the best means of applying pressure on the Allies. The Defense Department was willing to be guided by this advice.⁸¹

Pressure of this sort produced successively stronger statements on

East-West trade in the preliminary drafts of the bilateral agreements drawn up by the FMACC. In a draft of 5 October, sent to U.S. embassies in the capitals of all recipient countries for their information and comment, Article VII stated that "the two Governments recognize their mutual interest in effective controls over the export of war-potential material and equipment, consistent with mutual security and recovery objectives; and the two Governments *will consult on measures for the accomplishment of these ends*."⁸² A month later, on 3 November, when the twelfth draft was prepared for presentation to European representatives, "technical data" had been added to the items to be controlled, and the language committing Europe to reciprocal action had been made somewhat stronger: "... the two Governments *would consult with a view to taking measures for the accomplishment of these ends*."⁸³ Even though the Defense text was watered down in the version presented to pact countries, the idea of active cooperation was fully retained although more diplomatically expressed.⁸⁴

Considering the depth of U.S. official feeling on the matter of export control, it is remarkable that the bilateral agreements, as signed at Washington on 27 January 1950, carried no mention of the provision, either in a hortative or compulsory form. The United States, however, had accepted a Danish suggestion that informal contact with individual producers of war materials would be substituted for legal restraints.⁸⁵ At best, such an arrangement could work successfully in a small country like Denmark, where trade with the Eastern bloc was limited, but in countries whose economies were dependent in larger measure upon this trade, informal controls would not be workable. A coordinated policy of export control did not appear likely.⁸⁶

While the United States made sacrifices to win over Western Europe to accept the bilateral agreements, the extent of those sacrifices was governed by military considerations. Whatever misgivings the American negotiators felt about dropping the provision for export control, its absence did not jeopardize the national security. If necessary, the issue could be reopened at a later date. The MAAG's, on the other hand, could not be sacrificed; they had to be set up before shipments were made if the Mutual Defense Assistance Program was to fulfill its mission and retain the confidence of the American people. The patience and understanding of the U.S. negotiators were rewarded by the overwhelming approval of the bilateral pacts by the legislatures of those countries in which constitutional procedures required legislative action.⁸⁷

Ultimately, the argument over export controls proved to be the only major issue on which the U.S. negotiators gave much ground. But the give-and-take on minor points proved Secretary of State Acheson too optimistic when he announced on 30 November 1949, the day after President Truman had released the first installment of \$30 million, that "negotiations on agreements with eight Atlantic Pact countries are in the final stages."⁸⁸ Other factors, however, contributed to the slow pace of negotiations. Each country had to be dealt with individually through survey teams in Europe and discussions in Washington. As representatives of one nation gained a point, its allies were quick to see that they might reap the same advantage. The "most favored nation" treatment was, therefore, the only method by which progress could be made. In addition, the envoys in Washington, worried over the political repercussions at home, made no detailed commitments until they had the full support of their governments.⁸⁹ Not until 27 January 1950, two months after Acheson had made his

prediction, were the agreements signed by the United States and the eight NATO recipient nations.

State—Defense Problems in Administration

Both in negotiations with the recipient nations and in disputes over administrative authority, the ECA representatives had little to say to their colleagues on the FMACC. One might expect that an organization dedicated to the economic recovery of Europe and charged with responsibility for minimizing the Military Assistance Program's interference with Europe's economy would have been especially sensitive to the activities of the military Services. Nevertheless, ECA officials either remained silent or followed the leadership of other departments in resolving the various issues that arose.⁹⁰

Their behavior reflected in part a philosophic acceptance that any military aid program necessarily would affect the still tenuous growth of economic recovery. To limit — and if possible control — the relationship, ECA attempted to have a significant role in the country missions. In June 1949 all parties had agreed that the ECA chief would "act as principal advisor to the ambassador in the relations of the military assistance program to economic recovery . . ." But by October the description of ECA functions was compressed into the following terse statement: "The special assistant for MDAP will check all policies of broad economic interest with the Chief, ECA mission, who will also advise and assist in matters of military production." An ECA spokesman, however, rejected the implication that the ECA mission would be "a subordinate group directed by MDAP."⁹¹

There is evidence also that the great strides toward recovery in Europe since the summer of 1948 had convinced ECA officials that the MDAP would not damage the economy of any recipient nation. As early as February 1949, ECA envisaged that a well-considered MAP would "materially assist the maintenance of economic viability in Europe."⁹² In the following month, Milton Katz, Acting U.S. Special Representative in Europe, reported that the "proposed military assistance program would not jeopardize ERP. On the contrary, MAP will be important factor in developing level of confidence in future Western Europe necessary to insure continuing viability beyond end ERP in 1952."⁹³ ECA officials had additional assurance in the preamble of the Mutual Defense Assistance Act, which accorded a "clear priority" to economic recovery in case of conflict with military plans.⁹⁴

In any event, economic planners fully appreciated the urgency of military aid. In fact, Ambassador Harriman, in recommending trade controls, showed more concern for the military value of such a step than for the economic dangers it might produce. Significantly, he waited until the very end of his cable to state that "care should continue to be exercised by whatever agency implements this program, that security controls are not inconsistent with recovery objectives of western Europe."⁹⁵

As to relations between the State and Defense Departments, there had been frequent disputes over such matters as the disposition of lend-lease items in Europe, the exaction of reciprocal assistance from the recipient nations, and

the type of exports to be curtailed in Western Europe's trade with the Soviet satellites. The differences were largely over means rather than over objectives, and they often reflected the specialized concerns of each department. But these differences, while unresolved, had less importance in the fall of 1949 than 6 months earlier, when MDAP was still in the planning stage and responsibility for its administration was not yet fixed. Location of authority in the State Department had narrowed issues for the time being to definition of the Defense role in administering the program. By Presidential order, the Secretary of State had primary responsibility for the Military Assistance Program, and he exercised his authority through the Director for Mutual Defense Assistance, James Bruce.⁹⁶ The Director's powers included allocation of funds, which meant, according to State's interpretation, that quarterly allocations would reach the individual Services only after Bruce had approved them.⁹⁷

R. D. Snow, the Defense representative on the Progress Reporting Committee (which was charged with preparing a system of financial, statistical, and accounting controls over funds, materiel, services, and activities of the MDAP), felt that he had become little more than a consultant, and even in that role he could not present Defense positions adequately because of his very limited knowledge of plans. The subcommittees which did most of the spadework were headed invariably by State personnel, and their findings were usually edited before Snow received them.⁹⁸

The inferior position of the Defense Department in MDAP councils increased State's insensitivity to Defense needs. One consequence was that Defense civilian employees on overseas duty received smaller salaries and enjoyed fewer privileges than their counterparts in the State Department. Here State's apparent indifference to Defense's problems hurt the operations of MDAP by discouraging some well-qualified employees from accepting employment.⁹⁹ At a higher level, the basis of complaint differed little in character. When Walter Surrey agreed late in the bilateral negotiations to change the wording of the article covering patent claims (Article IV), he did so without sufficient regard to its effect upon the responsibilities of the Defense Department. In the original version, it had been definitely stated that "each government will assume the responsibility for all such claims of its nationals and such claims arising in its jurisdiction of nationals of any country not a party to this Agreement." To satisfy French objections, State negotiators changed the language to read: "In such negotiations consideration shall be given to the inclusion of an undertaking whereby each government will assume the responsibility for all such claims . . ." These changes provided a loophole that could make the United States liable for patent infringement on procurement effected in U.S. territory. After the MDAP had been concluded and funds for the program were no longer available, such claims would become the liability of the contracting services, namely, the Army, Navy, and Air Force.¹⁰⁰

Because the fiscal aspects of MDAP came primarily under the State Department, Defense was willing to concur in the amendment of the article, but requested that State officials "conduct vigorous action to obtain appropriations to cover any significant amount of additional expenses imposed upon the Department of Defense because of payment of patent and similar claims."¹⁰¹ Had care been taken to safeguard the interests of all U.S. agencies connected with the implementation of the MDAP, a dispute of this sort would not have occurred.

That such incidents took place reflected the State Department's assumption that the problems as well as the best interests of the Defense Department were identical with its own. Disregarding the needs and methods of operation of the military Services, State Department officials often irritated Service representatives by presenting procedures with which the latter were not familiar, schedules which they could not meet, and programs that were unrealistically rigid.¹⁰² Such behavior did not reflect any conscious attempt to deprive the Department of Defense of its rightful functions; most areas of disagreement stemmed from basic differences in philosophies. State representatives seemed to believe that control of the program involved prior State approval of each individual action carried out by Defense or ECA. They assumed that a program, once developed, was firm and rarely needed to be changed.¹⁰³ This outlook led State to anticipate the establishment of an annual program which would be approved by the Director of Mutual Defense Assistance before any supply action was initiated.

The military, on the other hand, insisted that State policy would inhibit on-the-spot decisions of operating personnel when adjustments, substitutions, and changes were needed for effective execution of the program. To do the job properly, Defense officials needed more freedom of action. Overall objectives need not be affected; management control could be exercised through analysis of full reports of actions taken. Flexibility was all-important in dealing with military supply and procurement operations because stock availability lists and prices of procured items changed constantly. Should the Defense Department position not be adopted, the necessary paper work would seriously impede the development of the Military Assistance Program. Defense recommended, therefore, that approved programs be considered as planning papers only, and that only substantial changes be submitted for clearance to the Director of MDA before implementation.¹⁰⁴

State Department officials thought that they were being eminently reasonable. They were quite willing, for example, to furnish funds in advance of supply action for excess items being rehabilitated or for items furnished out of new procurement. And when they opposed the Defense Department on compensation for stocks pulled out of the reserve and earmarked for the MDAP, they had plausible reasons. They felt that items pulled from the reserve might not be shipped for weeks, or even months, and that the military Services should wait until shipment before requesting funds for replacement. As long as Defense had title to the goods, State records would be unbalanced by showing obligation of MDAP funds at a much greater rate than shipments.¹⁰⁵

While these methods suited State's needs, they failed when applied to a joint enterprise in which other departments played an important and independent role. State had apparently little room in its philosophy of management for appreciating the problems of other agencies. Defense spokesmen had to point out that items, once pulled from stock, were no longer available for use by the U.S. military Services, and that any delay in contracting for replacements could jeopardize the security of the country.¹⁰⁶

The seeming inflexibility and insensitivity of State Department methods occasionally led to usurpation of authority. Lacking faith in the judgment of Defense representatives, State officials, in connection with country requests for aid, restricted the functions of the military to elimination of (1) items forbidden shipment by JCS, (2) items contrary to approved strategic concepts, and (3) items not available. The important task of deciding which items were

too expensive or too impractical to be shipped abroad they considered outside the scope of Defense functions. Besides, State expected that military planners might pay too little attention to pre-established monetary country ceilings.¹⁰⁷

Thus, State allowed Defense to handle only those items automatically accounted for by prior policy decisions and reserved to itself the function of reducing or deleting items. If State had had its way, the Defense Department would have been further limited in its operations by having all requisitions from country missions flow first through State and by having reports on finance and supply transmitted directly from the military Services to the Director of Mutual Defense Assistance. The consequences of such a policy would have been the reduction of the Office of the Secretary of Defense to the role of a rubber stamp in military assistance activities.¹⁰⁸ Such was the perspective of State-Defense relations in October and November 1949 as presented by the Defense representative in the Program Reporting Council.

Protests from the Office of the Secretary of Defense and from the military Services were immediately forthcoming, and assurances were sought that the coordination and analysis functions of the Assistant to the Secretary of Defense for MDAP would be preserved.

In point of fact, the State Department had a poor case for interfering with military command channels. The President's letter of 23 November had stated specifically that the Secretary of State, in implementing the Mutual Defense Assistance Act of 1949, would "make full use of existing facilities, and provide the coordination required for unified and effective operation." Even without statutory regulations, the State administrators had no choice in the long run but to develop a spirit of collaboration, for, while theirs was the paramount authority, the operation of the program depended largely upon the efforts of the Defense Department. Defense had to have authority commensurate with its responsibilities. Thus, State agreed not only to leave undisturbed the usual procedures in the flow and handling of requisitions but also to work out, with the help of the Bureau of the Budget, a system of allocating funds to the Defense Department on a program basis which would solve the problem of replacing items transferred from reserve stocks.¹⁰⁹

The stresses and strains evidenced in the relations between State and Defense had to be smoothed out before the program went into operation. When State agreed that Defense make monthly reports in place of the weekly reports on ocean shipping which it had originally requested, State was merely recognizing the obvious fact that the program would function more suitably if it accepted the established methods of its partner.¹¹⁰ The success of the program would depend to a large extent on the degree to which the activities of the administrators could be harmoniously meshed.

The Strategic Concept

Eventually the negotiation of the bilateral agreements, the determination of detailed programs, and the settlement of interdepartmental administrative problems were concluded. The recommendations for the integrated defense of the North Atlantic area were ready for the President's consideration. In fact, the two provisions required by law—the bilateral agreements and the strategic plan—received approval on the very same day, 27 January 1950. The timing was not a coincidence.¹¹¹ Congress required the formulation of a satisfactory

strategic concept to release \$900 million in appropriations, and this concept had been formulated before the North Atlantic Council had even held its first meeting.

General Bradley, speaking for the Joint Chiefs of Staff, outlined the basic strategy for collective defense before the House Committee on Foreign Affairs on 29 July 1949, following a JCS inspection tour of the NATO countries.¹¹² It amounted to a policy of assigning to each country such duties as it was best equipped to execute in the common cause. Duplication of effort was to be avoided. According to the collective strategic plan, the United States would have the chief responsibility for strategic bombing and, in conjunction with Great Britain, would conduct naval operations on the open sea. While the other members of NATO were not to attempt to duplicate the air and naval functions of those two powers, they could assume the maintenance of their own coastal and harbor defense. On the other hand, the continental countries would carry the primary burden of tactical air warfare and provide the hard core of ground power.¹¹³

As this testimony satisfied the questions of the House Committee about the adequacy of the defense plans, the only significant delay in referring the concept to the President resulted from the time required to set in motion the NATO machinery. The North Atlantic Council, created in Article 9 of the treaty, had first to establish a Defense Committee, which in turn had to set up a Military Committee before its subcommittee, the Standing Group, could examine the overall defense concept. The Council met for the first time on 17 September 1949 and the Defense Committee on 5 October. Considering the speed with which the Military Committee came up with recommendations after convening on 29 November, less than 2 months after its creation, it was apparent that there were no important obstacles to prevent the Council from giving approval, granted at its third session on 6 January 1950 in Washington.¹¹⁴ For, unlike the laborious process of hammering out bilateral agreements and straightening out conflicts among executive departments, the formulation of a strategic concept constituted no problem. It was broad enough to satisfy every party, and while its implementation might create problems, that was not the matter at hand. Thus, Secretary Johnson was fully justified in saying at the Defense Committee meeting in Washington on 5 October that "the real reason for our meeting is to get the Military Committee organized and functioning so that it may report back to us and we, in turn, to our governments."¹¹⁵ It was as simple as that.

Or, it was almost that simple. Secretary Acheson was concerned that Johnson had unwittingly created confusion over the strategic plan's stance on an early draft of Section 7-a, concerning the ability to carry out strategic bombing including the prompt delivery of the atomic bomb.¹¹⁶ When the Danish representatives on the Military Committee had strongly opposed specific mention of delivering the atomic bomb, the Secretary of Defense agreed to a formula that would eliminate the phrase but retain the meaning. He recognized the Danes' fear of Soviet use of such a term as pretext to drop an A-bomb on Copenhagen upon the outbreak of war. The Belgian, Dutch, and Italian Defense Ministers feared, on the other hand, that elimination of the phrase would remove one of the most important deterrents to Soviet attack.¹¹⁷ Both Secretaries finally agreed after consultation that the language relating to strategic bombing—"by all means possible with all types of weapons, without exception"—should satisfy all members of the Alliance.¹¹⁸

The approval of the North Atlantic Council's defense proposals and the signing of the eight bilateral agreements on 27 January 1950 provided an opportunity for the Joint Chiefs of Staff to present a clearer picture of the military objectives than had been possible a few months earlier and for Acheson to say: "I believe that this document represents the first achievement under the North Atlantic Treaty."¹¹⁹ In the event of war, the United States planned to impose the Allied objectives upon the enemy by conducting a strategic offensive in Europe and a strategic defense in the Far East. Specifically, this program required: (1) Development of sufficient military power in Western Europe to prevent the loss or destruction of the industrial complexes in that area and possession of its potential for future operations; (2) acquisition and use of such bases as Greenland, Iceland, the Azores, the United Kingdom, and French North Africa; (3) raising Italian armed forces first to the strength authorized by the peace treaty and ultimately to the point where Italy could delay materially or even check a Soviet invasion; (4) creation of sufficient strength in the Eastern Mediterranean and the Middle East to enable Greece, Turkey, and Iran to subdue indigenous Communists and to hold the area in the event of hostilities; (5) strengthening India and Pakistan to promote internal security and to assure their Western orientation; (6) building enough power in the Far East to halt further encroachment of communism there and to safeguard Japan and the Philippines; and (7) protection of Latin America.¹²⁰ In connection with these objectives, the JCS reaffirmed their view that military cooperation between Spain and the members of NATO was in the security interests of the United States, while Germany and Austria should be included in NATO when and if they were granted the authority to rearm. They also urged encouragement of Yugoslavia in the form of military assistance so that its resistance to Soviet pressure might be an example for other satellites.¹²¹

Although these far-reaching goals exceeded even the most extravagant hopes for the MDAP for fiscal year 1950, the JCS expected that the internal security of recipient nations as well as the morale of NATO should improve concurrently with the progress of the program. At least the increase in the armaments of the nations of Western Europe should buy time for U.S. war preparations in the event of an invasion of Europe, and the manufacture of new arms should strengthen the industrial mobilization base of the United States, enabling it to be of far greater help to the NATO allies than would have been the case had there been no Military Assistance Program.¹²²

There were few opportunities for substantive accomplishments in a program whose life span had been more than half completed before goods at hand could be delivered or orders for new equipment placed.¹²³ In view of this circumstance, the success of the Mutual Defense Assistance Program for the fiscal year 1950 could not be measured by the amount delivered abroad, by any increase in the power of NATO, or by the accuracy with which the U.S. survey teams determined the military deficiencies of the recipient nations. Instead, its initial achievement had to be measured by the extent to which the diplomatists—both military and political—had worked out a system of cooperation with the Allies, by the confidence it gave Europeans in their military security, and by the soundness of the structure erected upon an interdepartmental base to administer the MDAP. The efficacy of those efforts had not yet been tested by the winter of 1950.

CHAPTER V

The NATO Symbol in Transition January – April 1950

NATO before Korea

By the end of 1949 both MDAP and NATO had been organized and set in motion. Bilateral agreements had been signed, funds had been released, surplus materials were being readied for shipment abroad, the strategic concept of the North Atlantic Treaty Organization had been formulated, and a plan for mobilizing the defense efforts of the Allies was underway. It was obvious now, if it had not been earlier, that the long-range objectives of MDAP would be servicing NATO in defense of Europe against Communist attack, internal and external.

It proved considerably more difficult, however, to define the immediate objectives of MDAP and NATO. Despite the close meshing of their operations, their purposes were not identical, and confusion grew out of the differences in scope and character. MDAP was an exclusively U.S. enterprise applicable to the entire free world, of which NATO was just one area. It saw its mission in the Near and Far East, for example, as supporting the internal political and economic security of individual countries by supplying them with limited amounts of aid. NATO, on the other hand, was a multilateral regional alliance dedicated to the integrated defense of Western Europe. Whatever military assistance went to members of the Alliance was to be matched by comparable efforts on the part of each recipient. Congress had refused to release the bulk of the funds appropriated until NATO had presented to the President a satisfactory strategic concept for the common defense of the North Atlantic area.

Nevertheless, to many NATO supporters, both in the United States and in Europe, the purpose of MDAP was less to prepare defense measures against potential attack than to contribute, as ECA had done, to the political and economic stability of Western Europe. MDAP was to perform the same function in Europe as it would in Korea and the Philippines. Military defense was not to interfere with economic recovery. This view, furthermore, was no obiter dictum of a particular country or of a particular group; it received impressive support from the text of Public Law 329, the Mutual Defense Assistance Act of 1949, which accorded the formula on economic recovery an equal place with the principles of mutual aid, self-help, and integrated defense: "The Congress recognizes that economic recovery is essential to international peace and security and must be given clear priority. The

Congress also recognizes that the increased confidence of free peoples in their ability to resist direct or indirect aggression and to maintain internal security will advance such recovery and political stability."¹

This interpretation fostered a tendency to minimize the primary NATO object of building an integrated defense. Arms and materials to strengthen individual military forces were welcome only as long as assurance was given that no serious dislocation of the national economy would result. Economic recovery, on which political stability depended, was the primary means of resisting indirect Soviet aggression. It followed from this view of the MDAP that the significance of NATO was principally psychological, a warning to a potential aggressor that an attack upon any member of the organization would lead to war with all members. The major initial benefit which the United States brought to this alliance would not be its military assistance but its announcement to the world of its stance in world affairs, an action which the United States had failed to take before World Wars I and II.²

War-weary Europeans had as good evidence for their interpretation of NATO as they had for their understanding of MDAP. Article 5 of the North Atlantic Treaty, in which the Allies agreed "that an armed attack against one or more of them in Europe or North America will be considered an attack against them all," was clearer and more meaningful than Article 3, which called for all the parties to achieve the objectives of the treaty more effectively by maintaining and developing "their individual and collective capacity to resist armed attack." In general, discussion of coordinating military and economic strength in time of peace and of developing plans for war took second place to the theme of preventing the outbreak of hostilities. Belief in the efficacy of this function for NATO permitted the Allies to limit the extent of military, political, and economic cooperation and to neglect the development of war plans. In fact, when the probable cost of military preparedness by 1954 was estimated at \$20 billion, NATO officials were shocked more by the great sacrifices needed to carry out plans than they were by their current state of unpreparedness.³

Rearmament signified to Western Europe a diversion of men and materials from the manufacture of dollar-earning products to economically unprofitable war goods. It also connoted preparation for a type of war which Europeans had no inclination to wage, based on a strategy of withdrawal, counterattack, and liberation of the kind they had experienced in World War II. They feared that there would be nothing left to liberate in 1950 if war came.

This was the stuff of which neutralism was made, and the Communist parties of Western Europe tried to make the most of it. To dramatize the dangers which military assistance would create for their economies, Communist dockworkers in France and Britain announced their intention to prevent the unloading of the first supplies scheduled to arrive in the spring of 1950.⁴ The threats aroused anxiety among the U.S. ambassadors meeting in Rome in March. Noting the activity of the Cominform to thwart impending arms shipments to NATO allies, they speculated about the prospects of a Communist coup by "illegal cadres" playing upon the fears of a frightened public. Although subversive disorder did not need to be a prelude to Soviet invasion, they speculated about Moscow's relationship to local Communist leaders. Whether or not the dockworkers accepted their orders directly from Moscow, they could do severe damage to NATO.⁵

Although this particular scenario did not materialize, the specter of neutralism was not a mere Communist invention. On the first anniversary of the

signing of the North Atlantic Treaty, Jean-Jacques Servan-Schreiber, a dynamic young French journalist writing for the influential *Le Monde*, aired a point of view shared by many friends of the Alliance. He wondered about its purpose. If it was to instill a sense of security among Europeans by providing them the means to defend themselves, it had not succeeded. Should a full-scale war break out, Servan-Schreiber claimed that the combined forces of the United States and Western Europe would not be able to repel an invasion. And if a genuine effort were made to build an imposing military machine in Europe, the ensuing destruction of European economies would confer victory in the Cold War on the Soviet Union. Moreover, Servan-Schreiber wondered if American isolationism should not be recognized as a factor in future U.S. behavior, particularly if the expectations of mutual aid were not fulfilled. In this circumstance, a neutral stance and an accommodation to the aims of the Soviet Union might be a sensible alternative for Europeans. Not that this was Servan-Schreiber's own preference. In fact, he urged a genuine unification of Europe and a vitalizing of the organs of NATO. But he articulated a mood that had to be noted.⁶

If war was too awful to contemplate and if a meaningful defense was not to be expected in the immediate future, then the primary justification for NATO and military assistance lay in inhibiting the enemy's will to start war. This was the function most Europeans expected from the MDAP. It underlined the U.S. commitment to the treaty. Properly understood, it should exorcise neutralist chimeras and at the same time obviate drastic measures of reorganization. It should make unnecessary the idea, for example, that General Bradley, Chairman of the Joint Chiefs of Staff, proposed before the Executive Club of Chicago, that a central body be "set up to indicate to each of the partners the means, the rate and extent by which his armed forces must be expanded." It should silence as well the call of Premier Georges Bidault for an "Atlantic High Council for Peace" to coordinate the military and economic requirements of the Allies. The former implied inconvenient if not dangerous economic sacrifices unacceptable to the European allies; the latter implied a sacrifice of U.S. control over military aid unacceptable to the United States.⁷ Ambassador David K. E. Bruce in Paris, however, took Bidault's plan for a civilian general staff and related it to the Servan-Schreiber article. To test its seriousness, he questioned the Council's utility as an instrument to incorporate a German contribution to NATO.⁸ Bruce's exploration served to end further study when it became clear that the French would not consider German membership under any conditions at that time.

The emphasis upon NATO as a deterrent to attack was not confined to the European members of the pact. Sentiment in the United States in favor of this approach was sufficiently widespread that its proponents played down the importance of MDAP at the Senate hearings on the ratification of the treaty in April 1949. Military assistance combined with the treaty would be a provocation to the Soviet Union and would be susceptible to misuse or waste in the hands of the recipients. Secretary of Defense Johnson, therefore, stressed the ability of the pact to stand by itself without the addition of arms aid, but he claimed that military assistance would enhance the treaty's value as a war deterrent.⁹ Secretary Acheson buttressed this view by assuring Congress that there was no danger of an arms race developing from the military aid program because the United States was supplying only the equipment needed by the Allied armies to maintain internal security and that those armies were not

expected to defeat a Soviet attack. It was hoped that the strengthened alliance would make victory so costly for the invaders that the enemy would be discouraged from initiating hostilities.¹⁰

This approach to the problem of MDAP was more than a ploy designed to win passage for both MDAP and NATO. It fairly represented the opinions of numerous defenders of the pact at the time of its passage. The leading internationalist Senator, Arthur H. Vandenberg, would even have preferred the pact to stand alone because of the many dangers inherent in the MDAP, but was reluctant to make public his worries for fear that his reservations might be used to defeat both programs.¹¹

The deterrent thesis was also embraced, at least implicitly, by neo-isolationists who opposed both military assistance and NATO and by adherents of air warfare who deprecated the need for military aid and were indifferent to the Alliance. The latter group, convinced that airpower alone could meet any enemy challenge, considered military assistance to foreign armies, navies, and tactical air forces a needless waste of money and effort. In the eyes of these enthusiasts, a strong U.S. strategic air force made allies unnecessary, but as a symbol of U.S. ability to stop aggression and a supplement to airpower as a war deterrent, they were willing to accept NATO.¹² The isolationists, however, rejected the North Atlantic Pact on the grounds that U.S. adherence was merely a device to facilitate the flow of U.S. money, arms, and ultimately lives into the abyss of Europe. Although they were as confident as the airpower advocates of America's ability to survive in a hostile world, they saw peace jeopardized less by enemy aggression than by the machinations of allies who would place U.S. security at the mercy of their own foreign policies and drain U.S. economic strength. Nevertheless, the concept of the pact as a psychological weapon would have been acceptable to their spokesmen in Congress, provided independence from the involvements of an alliance could have been maintained. The deterrent thesis figured prominently in Senator Robert A. Taft's idea of extending the Monroe Doctrine to pact countries, making clear to an aggressor that any attack upon Europe would be treated in the same manner as an attack upon Latin America or the United States.

Logically, Senator Taft's position might have satisfied those who regarded the treaty as nothing more than a pledge of the United States to stand by Europe in the event of an invasion. To extend the Monroe Doctrine to cover the pact countries would have required no treaty or organized program of military aid or any of the complicated relationships inevitable in the treaty organization. If Europe could not resist Soviet attack, then the military aid that the United States was willing to provide might be worse than useless. Instead of invigorating the recipients and removing fears of Communist subversion, it would stimulate new fears of Soviet displeasure.¹³ Such was the isolationist point of view.

While the Senate clearly rejected the unilateralism of Senator Taft, it never made clear to the public or to itself the full meaning of deterrence. The official stance, however, was explicit: MDAP was tied to NATO as a complementary element in an integrated military alliance. Western Union was the core of the North Atlantic Treaty, with its promise of uniting its constituents economically, politically, and militarily for the successful defense of the West.

In this context, U.S. military assistance was designed not only to preserve the internal stability of the recipient countries but ultimately to create sufficient military strength in Europe to throw back the invader. To effect this result, the

old concept of national forces and national economies had to give way to a system of balanced collective forces. Even if the United States gave all the aid each country of Western Europe had requested, the resulting strength added together still could not match the power of the Soviet bloc. Each member, therefore, had to be assigned specific duties and each had to specialize in contributing "the kind of forces and the production of weapons for which it is best suited and which will best fit into a pattern of integrated defense."¹⁴ The expectation of a realistic and positive defense of Europe alone made sense out of elaborate plans for a Council, Defense Committee, Standing Group, and Regional Planning Groups. The technical advice and coordinating services they provided were needed to plan and execute the challenging task.

The prospect of a united Europe with the various nations cooperating to make U.S. aid as effective as possible awakened a favorable response in the country and in Congress. Self-help and mutual assistance expressed concretely through a NATO which would assure the implementation of these defense plans seemed a fair exchange for the granting of U.S. help. There can be no question that the huge majorities which enacted these two measures acted with the understanding that the MDAP would help NATO win security for the West.¹⁵

This approach to NATO expanded the idea of deterrence inherent in the potential use of America's atomic power. It made clear that no contradiction existed between the active use of NATO and MDAP to provide a viable defense of Europe and their passive use to demonstrate to a would-be aggressor the extent of America's identification of its security with that of Europe. The latter by itself was incomplete and inadequate. What, after all, constituted "deterrence"? How much of a deterrent would the guarantee of U.S. participation in a European war provide if it were not supported by action to make it effective?¹⁶ How long would Europe's prosperity last and how much internal security could there be unless the Soviet bloc was sufficiently impressed by U.S. promises to Europe? The answers to these questions were presumably stated in the strategic concept approved by the President on 27 January 1950. The deterrent could best be achieved by developing "plans for use in event of war, which will provide for the combined employment of military forces available to the North Atlantic nations to counter enemy threats, to defend and maintain the people and home territories of the North Atlantic Treaty nations and the security of the North Atlantic Treaty area."¹⁷

Upon this assumption the U.S. Congress acted, and European allies appeared to accept it at the meetings of the North Atlantic Council in September 1949 and January 1950. Throughout the following winter and spring the agencies within the North Atlantic Treaty Organization labored to find ways to increase production, raise more troops, and finance the costs necessary to fulfill the strategic plan. But in spite of this activity, the temptation to minimize sacrifice, to place economic stability above military needs, and to permit token defense measures to be equated with the progress required by commitments in the NATO Council, was always present and was too strong to be resisted entirely. Absolute security, if it ever could be achieved, appeared to be so far in the future that the rate of advance toward that goal seemed immaterial. In these circumstances, the Atlantic allies tended to consider the mere existence of the pact as the principal shield against potential invasion.

Europe's behavior was more comprehensible than U.S. acquiescence in it, considering that Congress had so positively tied MDAP and NATO to

integration of European defense efforts. The United States had made it clear that it expected future military assistance to be measured by the rate of Europe's progress toward integration, and yet little of the pressure promised by the Administration and Congress during the enactment of the Mutual Defense Assistance Act was actually applied, and then only sporadically and ineffectually during the spring of 1950. U.S. delegates to the various NATO bodies urged action, often radical action, but at the time they accepted without much objection the Allies' idea of what their pace should be.

Contradictions in U.S. conduct resulted in part from the requirement that economic recovery be given an equal status with collective security. The Allies were urged to foster the growth of their economies and at the same time to strive for maximum defense preparations through self-help and coordination of effort. In the long run, the two were complementary, because emphasis on economic welfare was vital to the success of the whole enterprise. Conversely, a successful defense buildup would itself tend to promote economic prosperity by removing the sense of insecurity that had hovered over Europe since 1945. This emphasis was also politically expedient, since Western Europe was naturally reluctant to embark on any rearmament program which jeopardized the economic health that the Marshall Plan had so recently restored. In practice, the emphasis upon economic recovery, however, proved to be an argument against rearmament. It became obvious that any wholehearted rearmament program inevitably involved some adjustments and perhaps some decline in prosperity until the buildup could be completed.¹⁸ By giving priority to economic recovery, therefore, the United States provided Europe with an excuse for not taking the necessary risks.¹⁹

Another contributing factor to the indecisive position of the United States in the winter and spring of 1950 was a seeming unwillingness on the part of the Administration to think through to their logical conclusions the problems and relationships of MDAP and NATO. The leaders in the State and Defense Departments, in requesting an extension of the MDAP, still feared unfriendly inquiry into their bold departure from traditional foreign and military policy. They worried about renewal of charges that NATO or MDAP was unconstitutional or a criminal waste of American money or represented a sinister secret deal with European powers, and especially they feared the consequences of the slow start that the MDAP had made in achieving its goals. They were ready to accept the promises of the Allies as accomplishments and their deliberations as promises, so that they could report at congressional hearings that "unified direction and effort which is a major objective of the Mutual Defense Assistance Act has been achieved in less than 6 months."²⁰ Similarly, the program which the Administration presented to Congress for fiscal year 1951 was not one which, in the long run, would best fit the needs of Europe's security. The Allies, fearful of making too great a sacrifice, had not given the NATO planners sufficient data to produce a plan that could profitably make use of U.S. aid. The billion dollars requested for the NATO countries was justified less by its service to the tentative strategic plan than by the fear that Congress might throw out the entire program if the Administration asked for more than the previous year's figure.²¹

The wisdom of hindsight was afforded to the United States after the shock of the Korean invasion. There was sudden realization that a Communist attack in a divided Germany would find the NATO allies no better prepared than the Republic of Korea to withstand a direct assault. And an immediate attack on

West Germany was a real possibility. This awareness of danger lent all prior planning for NATO an aura of fantasy. It seemed incredible after Korea that Congress and the Administration had sparred over the extension of a limited aid program when the needs of the Alliance required the expenditure of at least \$15 billion over a 3-year period. The prodding which the Americans periodically gave their allies at NATO meetings had something of the quality of Alice in Wonderland. The U.S. delegates urged integration and maximum use of resources not out of a sense of danger but to show Congress that its billion dollar investment had been sound and was worthy of continued support.²² Absurd as their behavior could be made to appear, it had as its objective the defense of NATO through building sufficient military strength to deter aggression, an objective that was not changed by the Korean incident. What made the behavior appear unreal after Korea was the leisurely way in which the Administration had pursued its ends.

The rationale of U.S. military policy toward Western Europe rested on the expectation that the erection of the NATO framework, by itself, represented the primary deterrent for Americans as well as Europeans — a barrier behind which the Allies could gradually build up their strength. A belief that the pact's very existence was a vital factor in preventing attack makes understandable the emphasis on economic recovery, the dominance of domestic political considerations, and the concentration upon the mechanics of military assistance at the expense of a careful analysis of its utility. Confidence that time was on the side of the Alliance permitted the Administration to regard the rebuilding of Europe's defenses as a gradual process that would develop slowly but steadily in such a way that equilibrium with the Soviet bloc could be achieved painlessly and almost imperceptibly. Speaking before the House Committee on Foreign Affairs on 5 June 1950, Secretary of Defense Johnson claimed that the

trend in the last 6 months has been definitely upward in the strength of a unified Europe militarily. I think that trend will continue, the ability to resist will improve and I look forward to the day when they will have developed enough strength and have enough equipment of their own, plus what we will furnish or sell to them, that their strength will ultimately become such that we can reduce our own Military Establishment.²³

Preoccupied with a modest Defense budget, Johnson found even a small amount of MDAP funds an annoying burden—something that could be justified only if it created within a short time an opportunity to reduce U.S. military responsibilities in Europe. Until that time he accepted the program grudgingly. In light of the Secretary's view of budgetary priorities, it is not surprising the time which the military might have spent on hastening security measures was devoted to convincing skeptical Congressmen that they were trustworthy and competent administrators of an obviously successful program.

Both the Administration and the NATO partners knew that whatever had been accomplished in the first year of the organization had been minuscule compared with the task undertaken. By 6 April 1950, according to information from the first semiannual report on the MDAP, only \$42 million of the \$1.3 billion had been even obligated. The first shipments, which left U.S. ports with considerable fanfare in the early spring, were only tokens.²⁴

To be sure, it would have made very little difference if the entire amount had been expended and consumed in Europe. The Continent would still have been defenseless. In December 1949, NATO had only 12 divisions, deployed

haphazardly, 400 airplanes, and a handful of naval vessels. The ground forces included two U.S. units of approximately divisional strength, but they were scattered throughout the U.S. zone of Germany. Confronting this force were probably 25 well trained and equipped Soviet divisions, with thousands of planes against the West's hundreds.²⁵

A genuine defense would have been enormously costly, and the Truman administration was concerned with a low and manageable budget. Military expenditures remained practically fixed throughout the years of dramatic new political and military commitments: \$11.8 billion in fiscal year 1947, \$10.5 billion in 1948, \$11.3 billion in 1949, \$11.6 billion in 1950.²⁶ These amounts were set because they were close to the upper limit of what the Administration thought the economy could bear. "Once formed," Warner R. Schilling observed, "the climate of opinion with regard to desirable and possible defense spending had been remarkably impervious to change."²⁷ And it was not just fiscal conservatives like Secretary Johnson who accepted the conventional wisdom. His predecessor, Forrestal, far more sensitive to the Soviet challenge, had joined the President in cutting down the estimates of the Joint Chiefs of Staff, supporting the action with the same economic justifications that Johnson later used.²⁸ Only the Korean War was able to break through a \$15 billion ceiling.

If there was no serious pressure for higher military budgets, part of the reason lay in the intense competition in 1949 and 1950 among the military Services for power and influence within the Department of Defense and the efforts of the Secretary of Defense to enhance his authority over all of them. It was not until the summer of 1949 that a Defense reorganization advanced the position of the Secretary of Defense in the National Security Council vis-a-vis the Secretaries of the Army, Navy, and Air Force. But the new organization did nothing to dispel the idea that \$15 billion for the Defense establishment was as much as the Nation's economy could stand.²⁹

Implicit in this idea was the assumption that the threat of a Soviet invasion of Western Europe, when faced with NATO and the MDAP, was not immediate. NATO force projections anticipated no more than 36 divisions by 1955, and military assistance was identified as a short-run program of 4 or 5 years, with most of it coming from the U.S. stock of surplus weapons.³⁰ Europe would provide the ground forces; the United States, the air umbrella. Small wonder then that the officials administering the MDAP tended to confuse form with substance and to offer a loose construction of deterrence. There was a slight modification in 1950; the NATO organization itself and not merely the treaty operated as the deterrent, as Article 9, establishing a Council, became a more important symbol than Articles 3 or 5.

While Congress and the Administration continued to speak as if the deterrent to war depended upon the ability of Europe to defend itself against invasion, they acted as if the Military Committee assured protection by its very existence and the very deliberations of the Military Production and Supply Board produced weapons. Secretary Johnson seemed to draw comfort just from contemplating the size of the organization:

The North Atlantic Treaty Organization is now a living entity. The military committee with its standing group, the five military regional planning groups, and the Military Production and Supply Board, all with permanent international working staffs, are hard at work. As a result, the basis of the 1951

mutual defense assistance program has been developed within the treaty organization itself.³¹

The gap between planning and performance appeared slight, particularly when it had been made clear that no

attempt will, or need, be made to match Soviet strength division by division, or by mere numbers of armed men. A relatively small European ground force, provided it is equipped with modern weapons, and supported by an adequate tactical air force could, in the judgment of our Joint Chiefs of Staff, contain the early phases of a Russian invasion. In the dread event of war, such forces could be given immediate effective support by United States strategic air forces.³²

The effects of this sense of security colored the thinking of those responsible for MDAP and NATO planning. It pushed into the background the need to determine how many troops would be required for the "relatively small European ground force," how much Europe could produce with U.S. military assistance, how far the European and U.S. economies could be stretched, and how far national sovereignties had to be abridged before the West could achieve equilibrium with the East.

NSC 68

Much of the language used by the Administration to defend MDAP was conventional currency in dealing with Congress at all times. Accomplishments had to be inflated and shortcomings glossed over, if not concealed, or worthwhile programs might suffer from Congressional cuts. True, there was the danger of accepting a consensus at face value, what the psychologist Irving Janis calls "groupthink," a mode of thinking wherein members of a cohesive in-group allow their "strivings for unanimity [to] override their motivation to realistically appraise alternative courses of action."³³ If deterrence was the objective, the group would unconsciously establish parameters within which its conception of deterrence must fit. A North Atlantic Treaty that broke with U.S. traditions impressed Europeans and Americans alike, and undoubtedly impressed the Russians as well. An armament program tied to a U.S. commitment to share its military products was a vital earnest of intentions, no matter how modest the immediate results.³⁴ And the termination of the Berlin blockade by the Soviet Union and the successful inauguration of a Federal Republic by the West Germans suggested that deterrence was indeed effective.

But the blockade ended in May 1949; in September, in the midst of the debate over the Military Assistance Program, the Administration learned of the Soviet Union's successful experiment with an atomic device. The U.S. atomic monopoly was ended, 2 or 3 years ahead of expectations.³⁵ Only a few months later, the Chinese Communists expelled Chiang Kai-shek from the mainland of Asia. And Soviet statements sounded more truculent and bellicose than ever.

As a consequence of the U.S. miscalculation of the Soviet atomic timetable and the general ignorance of immediate Soviet intentions, a reconsideration of U.S. strategy appeared necessary. Even as officials professed satisfaction publicly and privately with the development of NATO and the MDAP, planners began to ponder the possible effects of a nuclear Soviet military machine. The figures which they projected bore little relation to current military

thinking. For example, the Operations Research Office of The Johns Hopkins University, working under an Army contract, estimated that attaining an acceptable military equilibrium with the Soviet bloc would require a minimum annual expenditure of \$5 billion additional for at least a 3-year period.³⁶

It was the issue of developing a hydrogen bomb rather than speculation over Soviet or Chinese activities that moved the Administration to ask for an examination of the full implications of nuclear weapons in the 1950's. Although David E. Lilienthal, Chairman of the Atomic Energy Commission, had opposed a crash program for a thermonuclear bomb, he had done so in large measure because he had felt that neither the State nor Defense Departments had given sufficient thought to the effect it would have upon U.S. foreign military policy.³⁷ When President Truman signed the directive to develop the H-bomb on 31 January 1950, he instructed the Secretaries of State and Defense to reassess American policy in the light of Chiang's failure in China and Stalin's achievements in nuclear power.

The State Department particularly welcomed the request for reassessment. As early as September 1949 its Policy Planning Staff had undertaken a study of the implications for foreign policy of the hydrogen bomb. There was no equal initiative to be found in the Defense Department at this time. State was convinced that current budgetary limitations were damaging the military side of foreign policy.³⁸ Johnson was passive, when not hostile, to a reconsideration of foreign military policy. As Samuel Huntington observed, "In the fall of 1949 the services were deep in the B-36 controversy, fighting over how to fight another world war."³⁹ At the same time Secretary Johnson was so fully committed to economizing that he suspected a subversive intent in any proposed reassessment. Throughout the drafting of NSC 68 he was suspicious of the exercise, particularly of the role of Secretary Acheson. At one point he sought to close the channels between State and Defense, reserving all negotiations to himself and his assistant for Foreign Military Affairs, Maj. Gen. James H. Burns. Only when the JCS gave its approval to the document, and when Truman ordered him to cooperate with Acheson, did Johnson accept it.

In this setting, the State Department enjoyed an initiative it kept throughout the preparation of NSC 68. The National Security Council strongly supported the study and assigned Paul Nitze, Director of State's Policy Planning Staff, as chairman of the joint State–Defense ad hoc study group. So while the Secretary of Defense and the JCS were seemingly content to accept the budget ceiling of fiscal year 1950, State representatives grasped the opportunity—and burden—of shaping an alternative policy which could have major budgetary implications.⁴⁰

NSC 68 predicted that the Soviets would have atomic parity with the United States in the near future. The Soviet Union was seen as an enormous hostile force, "animated by a new fanatic faith" and developing "increasingly terrifying weapons of mass destruction." To cope with this malevolent power, the United States should act with the speed and on the scale of the Manhattan Project in World War II. No longer would the superiority of U.S. nuclear airpower offset the limitations of conventional ground forces. The year of maximum danger was no longer in the distant future—it was 1954. If U.S. action could not and should not take the form of preventive war or withdrawal into the Western Hemisphere, then there must be "a more rapid buildup of political, economic, and military strength and thereby of confidence in the free world than is now contemplated. . . ."⁴¹

Alternatives were laid out in NSC 68 and found wanting. Preventive war to destroy the Soviet economy with a single massive atomic blow would be morally “repugnant” to many Americans. Furthermore, it might fail to force capitulation, particularly if the Kremlin were willing to operate from Soviet Asia.⁴² The choice of isolationism was equally illusory. While it would be superficially attractive to reduce military commitments to meet the budget, such a reduction of military strength would leave the Soviet Union in control of Eurasia, allowing it to exploit the resources of Western Europe and ultimately to pose as great a threat to U.S. security as it did currently. The study concluded that there would be “no way to make ourselves inoffensive to the Kremlin except by complete submission to its will.”⁴³

If these doomsday forebodings were depressing, they nevertheless represented policy in extremis. What was more depressing to the investigators was their realization that the lines of policy which the United States was following were also doomed. Soviet forces, arming more rapidly than those of the West, foreclosed any serious possibility of peace through negotiation. And even though the United States possessed atomic superiority for the moment, “one of the present realities is that the United States is not prepared to threaten the use of our present atomic superiority to coerce the Soviet Union into acceptable agreements.” Negotiations thus lay in the future. Only when the United States had acquired the strength to impress the enemy could it take the initiative in negotiations.⁴⁴

Eliminating these courses of action, the working group recommended to the President a massive reordering of U.S. economic priorities. To acquire the power necessary for security, the United States could devote more than half of its gross national product (GNP) to military purposes—military expenditures, foreign assistance, and investments. In 1950 the United States was allocating 22 percent of its GNP to military expenditures (including foreign assistance) and investment but most of the investment was not directed to war-supporting industries. In sounding this alarm, NSC 68 stood in direct conflict with the thinking behind the military budgets of the Truman administration.⁴⁵

The report had dramatic implications for MDAP. Military assistance was not simply an auxiliary program. Its minimal function was to increase Europe’s ability to help deter enemy attack and make it more difficult for the Soviet Union to overrun all Europe. Even this would not be possible before 1952 if the present rate of assistance were continued. As for more significant functions, NSC 68 observed: “Unless the military strength of the Western European nations is increased on a much larger scale than under current programs and at an accelerated rate, it is more than likely that those nations will not be able to oppose even by 1960 the Soviet armed forces in war with any degree of effectiveness.”⁴⁶

In light of these concerns, it was appropriate that the report recommend “substantial” increases in military assistance. This was interpreted by the Department of Defense, at least tentatively, to mean a growth of the MDAP for Europe from \$1 billion in fiscal year 1951 to \$4 billion for fiscal year 1953, then tapering to \$2 billion for fiscal year 1955.⁴⁷ The opportunities for promoting the Defense role in MDAP became immediately apparent, particularly since the economic aid program would decline from \$3.5 billion in 1951 to \$1.6 billion in 1955. Tracy S. Voorhees, Under Secretary of the Army, suggested even before the study was concluded that “the time has clearly come to merge the U.S. organizations and appropriations for military assistance and for economic aid,

under a modified charter, and to create a single powerful unit to accomplish both purposes."⁴⁸ According to Voorhees, the ECA had held the purse strings too long and could be blamed for not stimulating the European partners to greater military production from their own budgets.⁴⁹ The NSC report anticipated, among other things, the role of the Mutual Security Agency of 1951.

None of the above-mentioned military assistance budget figures appeared in the report. Specific costs of any kind were omitted, partly to avoid alarm in an administration committed to fiscal conservatism and partly because the purpose of the report was to chart the course of future programs rather than provide means of reaching their goals. Even among themselves the planners differed over costs. Their estimates ranged from \$5 to \$25 billion additional; the latter figure was merely speculation by members of the Policy Planning Staff. It is ironic that the appetite of the JCS was more easily appeased than that of the policy planners of the State Department; the former spoke of a mere \$5 billion of increased military funds to make approximately \$17 or \$18 billion in all, while the latter emphasized higher figures.⁵⁰

The gulf between the figures of State and those of Defense reflected Secretary Johnson's antipathy toward Secretary Acheson as well as the Defense Secretary's reluctance to remove the familiar budgetary restraints. The notorious feud between the two Secretaries erupted on 22 March 1950, in a meeting at the State Department, when Johnson accused Nitze of denying him and General Bradley sufficient time to read a 27-page summary of a current draft of NSC 68. He charged Nitze with ramming through a State version of the document, against the interests of Defense.⁵¹ But not all the animus flowed from Johnson. Rear Adm. Arthur G. Davis, USN, Director of the Joint Staff of the JCS, seemed to share the Secretary's suspicions of the State Department.

This clash notwithstanding, it is unlikely that the divisions between the two Departments were as deep as the flash of tempers indicated. A consensus on the problems at hand existed at the working level of State and Defense. Burns and Halaby of the Defense Department and Maj. Gen. Truman H. Landon, USAF, of the Joint Strategic Survey Committee, worked harmoniously with Nitze and his colleagues of the Policy Planning Staff. The rebuilding of Europe was a unifying factor. In a memorandum to the Secretary of Defense a month before the blowup, General Burns agreed fully with the principle that "during the next 4 or 5 years we must therefore build strength in non-atomic weapons on the part of ourselves and especially our allies in Western Europe."⁵² In the end Johnson stood isolated from the positions of his subordinates in the Defense Department.⁵⁴

Negative reactions to the successive drafts of NSC 68 in the spring of 1950 came not from Defense but from State Department critics and from distinguished outsiders asked to comment on the report. President James B. Conant of Harvard worried about the creation of a garrison state which might develop from the huge amounts of money that would be siphoned off to the military Services under the plan. Similarly, Edward W. Barrett, Assistant Secretary of State for Public Affairs, worried about the fate of the U.S. commitment to economic aid which he feared would be a casualty of rapid military expansion. Charles Bohlen, much like his colleague Kennan, was concerned about oversimplifying the nature of the conflict with the Kremlin. He warned against excessive attention to arms and recommended concentrating on demonstrably defensive weaponry as a signal to the Soviet Union of U.S.

intentions.⁵⁵ It was William F. Schaub, Deputy Chief of the Bureau of Estimates of the Bureau of the Budget, who raised moral objections to the report. While he observed that it did speak of a battle against tyranny, it was to be waged, it seemed, only by arms, rather than by the spirit. When he looked at the "free world," he was distressed to see so many dictatorships embraced by the term. More than Bohlen and Kennan, he felt that the NSC had underplayed economic and social changes as factors in the contest with the Communists.⁵⁶

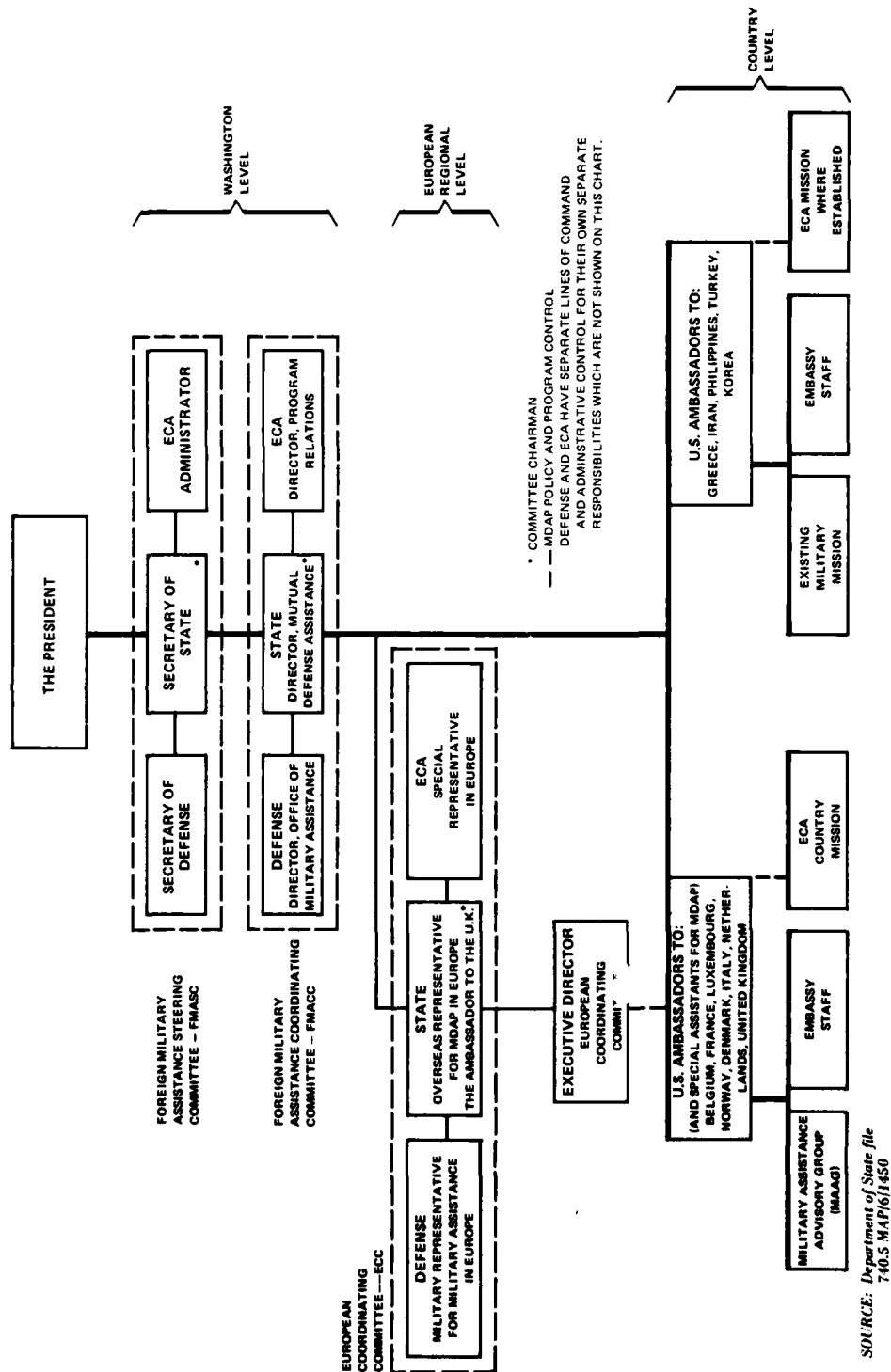
A continuing theme in the criticism of NSC 68 was the vagueness of the document, its loose use of terms, and the lack of specificity in the goals sought. Although the paper was vulnerable to this kind of comment, it would have been more serious if NSC 68 had been a blueprint rather than a general statement. In a sense it fitted Kennan's own method of offering advice although he opposed its militarization of his containment thesis.⁵⁷ Like the "long telegram" of 1946, the report was a description of the present and a projection of the future, but clothed in the labored language of a committee rather than in the graceful prose of the scholarly Kennan.

Whether it was a drastic departure from current policy is also open to debate.⁵⁸ A case can be made, and indeed was made in the report itself, that NSC 68 was more a forceful response to a policy decided under NSC 20/4 of 23 November 1948 than an abrupt shift in direction.⁵⁹ Both NSC reports were compatible with the premises of Kennan's aperçus of 1946 and 1947, especially his conviction that the struggle with communism would be resolved not by negotiations in the near future but by the determination of the West to assert its potential strength. Only a demonstration of power could discourage Soviet aggressiveness.

But the fact that the report outlined a working paper in vague terms, with no implementing details, undercut the urgency which otherwise might have been reflected in the response of the President. After receipt of the report in April, Truman kept it under advisement, at least until he could acquire more information about the cost of translating it into a viable program. Since plans for fiscal year 1951 had been completed, a new ad hoc committee would have to be established to correlate the current defense plans with the future implied in NSC 68.⁶⁰ In the spring of 1950 that future was more distant, to the White House and the Defense Department, than the drafters of the NSC report anticipated.

In the meantime, most Defense and State officials expected trouble defending their requests to Congress for continuing the modest budget of 1950, and they were constrained to consider the current program of NATO and MDAP as a genuine contribution to containment rather than as the charade NSC 68 seemed to suggest it was. But the report receded into the background as the events of the London meeting of the North Atlantic Council in May and of the congressional hearings on the MDAP in June occupied the foreground. In these circumstances it was understandable that the Army position, presented by Under Secretary Voorhees, suggesting the diversion of funds from ECA to European defense, was a comfort to the Army. This would mean that increased appropriations would not be necessary.⁶¹

2. ORGANIZATION FOR THE MUTUAL DEFENSE ASSISTANCE PROGRAM, JUNE 1950



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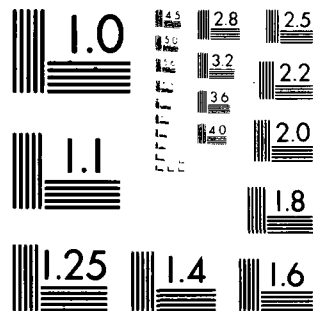
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MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS 1963-A

CHAPTER VI

The NATO Symbol in Transition *April – June 1950*

Medium Term Defense Plan and the London Meeting of the North Atlantic Council

The amount of money raised to support the NATO allies was not the immediate problem before the Standing Group and the Military Committee. Whether the money totaled \$5 billion or \$1 billion meant little if the actual quantity of aid, in the form of end items, did not suffice even for the minimal tasks ahead. In the short run, the position of the 12 poorly trained and badly deployed military divisions in Western Europe seemed disastrous. The Short Term Defense Plan, conceived by the Western Union Defense Committee and its expanded membership after the signing of the North Atlantic Treaty, was designed only to minimize panic and to avoid a repetition of the Dunkirk debacle of 1940, so that the outnumbered NATO forces could make an orderly withdrawal in the face of a Soviet attack. The plan identified evacuation routes and assigned U.S. and British ships to rescue as many troops as possible. At best, the Allied forces might hold at the Pyrenees.¹

The Military Committee also had a Long Term Defense Plan, at least in name. But it was not a battle plan. It was, rather, a projection of the kinds of forces needed to defend Europe in the event of a major war, on the assumption that the Soviet thrust would move across the north German plain. If the Allies could muster 160 divisions, they could conceivably hold at bay an enemy with forces two or three times as large.² This plan lacked any connection with reasonable expectations for the near future.

Given these dubious alternatives, NATO planners were fortunate in having a third plan — the Medium Term Defense Plan (MTDP) — to fall back on for immediate use. This, too, was a product of the Brussels Pact's groundwork, but it showed greater promise of realization. Its aspirations were more credible; the projected tasks more realistic. First, it recommended shifting supply lines from a course paralleling a potential front line. Most of the Allied bases in Germany were supported from the ports of Bremerhaven and Hamburg. The placement of a new and more secure supply line through France and the Low Countries would be followed by the building of new supply dumps, airfields, and pipelines. In the language of French railroaders, this would be the infrastructure of the defense effort. Additionally, redeployment of

NATO ground forces would permit greater opportunity for defending a central line that could be stabilized west of the Rhine in the event of a full-scale attack.³

At no time was there an expectation that the enemy could be stopped by Western forces. Unstated was the assumption that the function of the Allies was to blunt the weight of the enemy assault sufficiently to permit U.S. nuclear airpower to be brought into action. But the U.S. atomic monopoly which was to redress the imbalance had already come to an end. Even if the supply of bombs had been sufficient, there was doubt that the United States could make a decisive attack on the Soviet Union.⁴ European leaders knew in 1950, but did not advertise their knowledge, that much of Europe would be in Soviet hands before the United States could rescue it from defeat. Such knowledge, although not articulated, fed the fears of most of the Allies who accepted the MTDP or any other plan only as a deterrent to war, not as a U.S. commitment to liberate them at the end of the war. If examined closely, however, the MTDP promised the latter.

NATO made no searching evaluation of the implications of the MTDP in April 1950. Rather, it regarded the plan as a convenient way of launching the NATO structure. The plan was an execution of the strategic concept demanded by Congress in the previous year and formally accepted by the President a few months earlier.⁵ As it came before the Military and Defense Committees of NATO on 28 March and 1 April, respectively, it served generally to vindicate the West's faith in its own latent power and specifically to rebuke those critics who claimed that U.S. participation in Europe's defense would destroy the Europeans' incentive to help themselves.⁶ NATO's prompt action on this plan also fitted well into the legislative calendar. Secretary Johnson had surmised in February that, if the plan could be before the Military Committee by 1 April, it would have a favorable effect upon congressional action to extend the Mutual Defense Assistance Act of 1949.⁷

Producing a sound plan for the defense of Europe which took into account an estimate of the capabilities of the Allies and proposed a way of mobilizing those capabilities would have been a major accomplishment. If such a plan had resulted from NATO deliberations, Secretary Johnson would have been entitled to his opinion that this action "agreed to by 12 nations, each with differing national interests and aspirations, constitutes an extraordinary military and political achievement."⁸ Obviously he intended to leave the impression that Europe would be reasonably secure by 1954 and that such problems as finance, production, and the raising of an integrated force had been settled. Actually, however, the Medium Term Defense Plan promised far more than it delivered. Its principal contribution was to examine in great detail possible Soviet moves and Allied countermoves in the event of war. NATO measures to meet Communist aggression represented integration only in the most elementary sense. It was a work of consolidation, not integration. The figures made available to NATO were those that each country had already programmed for its individual 1951 budgets. The regional standing groups needed only to add together the force tabs of each country to get their totals, and they arrived at their 1954 figures by computing 1954 requirements on the basis of the 1951 tables already available.⁹ From the papers submitted by the regional planning groups between 14 and 23 February 1950, the Standing Group wove together the Medium Term Defense Plan.¹⁰

NATO now had, on paper, a pooling of national strengths at levels estimated to be needed for 1954 and very little else. In addition to lacking the

defense requirements for the United States, the United Kingdom, and Canada, the MTDP did not specify how the forces were to be supplied, paid for, and equipped. What proportion of the deficiencies could be made up by Europe alone, what proportion would have to be sent from the United States, and the basic requirement of setting up levels and objectives of balanced forces were not considered.¹¹ Given these deficiencies, the subordinate NATO bodies, such as the Military Production and Supply Board (MPSB) and the Defense Financial and Economic Committee (DFEC), had an inadequate basis upon which to evaluate the feasibility of the plan in terms of production, manpower, and finance.¹²

Unfortunately, there were few indications that, even under ideal conditions, the NATO boards could come up with the facts and figures necessary for realistic defense planning. Their promise, however, had been genuine, and their initial programs ambitious. As early as 15 November 1949 the Military Production and Supply Board had presented an outline of proposed studies which included: (1) The physical capacities of European treaty signatories for producing military end items; (2) a review of currently planned programs for military production in the light of the principles of integration; (3) an inventory of equipment of U.S. origin surplus to the needs of the owner and capable of being transferred; (4) plans for standardization of production and production methods; and (5) regulation of certain production facilities. Concurrently, the Defense Financial and Economic Committee was to determine the costs of the production recommendations made by the MPSB and to arrange for their distribution among the member nations.¹³

Consideration of these problems engaged the full attention of both bodies as they took over the functions of subordinate organizations of the Western Union in the winter and spring of 1950. From their review of physical production capacities there resulted only a list of broad categories of armaments which Europe could produce if it had the money, manpower, and materials.¹⁴ To determine costs for this program, the existing national defense budgets had been added together and subtracted from the bill being drawn up by the authors of the Medium Term Defense Plan. Not only did this arrangement violate the policy of national specialization in rearmament; it also was inadequate as a means of meeting the objective. No remedy could be found until the individual countries would provide sufficient information for the MPSB to analyze production capacities and for the DFEC to distribute financial burdens.¹⁵ The discovery that neither the member countries nor the NATO committees themselves had agreed on such basic budgetary definitions as what would constitute "defense expenditures" further complicated the task.

Overwhelmed by the magnitude of the problem and by the paucity of information, each NATO agency blamed others for slowing its progress. MPSB claimed it could make no plans until it had information from the DFEC on the financial aspects of the program, while DFEC, with more reason, required information from the MPSB about the economic resources of NATO countries before it could perform its functions.¹⁶ Both agencies depended for their success on a knowledge of military deficiencies and definitive logistical requirements, and the responsibility for producing this information rested primarily with the Military Committee and its Standing Group, which had only the roughest idea of the logistics necessary to make the defense of Europe a reality.

The lesser problems yielded to relatively easy solution. Closer coopera-

tion among the NATO agencies was an obvious necessity to end the well-justified complaints raised by each of them. Lack of cooperation was nowhere better demonstrated than in the complicated procedure which the working staff of the MPSB had to follow in placing a request for informal consultations with its counterparts in the DFEC. The NATO Council took remedial action at the meeting in London in May 1950, approving a decision that the DFEC should undertake concurrently with the MPSB the examination of financial and economic potentialities for supporting additional military expenditures and prepare a detailed estimate of the finances with priorities for their allocation. Less than 3 weeks later these recommendations were implemented at a meeting of W. Averell Harriman, Hubert Howard, and General Omar Bradley, U.S. representatives and chairmen of the DFEC, MPSB, and Standing Group, respectively. At this meeting the issues which should have been examined before the formulation of any defense plan were outlined and each agency was given the responsibility for fulfilling an assigned role. Establishment of an ad hoc committee to find a pricing formula resolved confusion about the division of labor.¹⁷

Lack of coordination, however, was not the major obstacle in the way of integrating planning. One stumbling block was ignorance of the gross military deficiencies of the NATO countries. No matter what level of preparation was considered adequate to meet the enemy's power, the Allies could not establish a sound basis for achieving that level until they had ascertained what capabilities, materials, manpower, and equipment were lacking. Before laying the foundation, the builders had to know the exact height of the building and how much material they already had on hand. Without this information, neither the United States nor Europe could know where U.S. military assistance might be most advantageously applied or just how much self-help and mutual aid Europe would be able to contribute. But the real problem lay in the reluctance of the Atlantic allies to make the sacrifices needed to give meaning to the Medium Term Defense Plan—or to any defense plan, for that matter. All suggestions for burden sharing, standardization of arms, transfer of excess equipment, new international fiscal programs—in short, the work of the expert committees—would ultimately be academic unless the individual NATO countries put them into effect. Their willingness to do so was questionable in the spring of 1950. Their positions, understandably, rested on the imminent danger they saw in diverting scarce resources from domestic reconstruction to rearmament. They saw the military component as but one element in national security which, if pursued at the expense of economic recovery, would affect political stability more severely than lagging development of their military programs.

The weaknesses in the MTDP, considered objectively, were the very features which to the European countries appeared as virtues. They accepted the inadequacies because they seemed to promise a continuance of national life at a better economic level without lessening the feeling of security provided by NATO's existence. A thorough examination of capabilities, on the other hand, might have revealed that more money could be expended for rearmament, that capacities were greater than indicated, that some sacrifice of sovereignty could result in greater efficiency, and that realistic specialization in military functions provided the best means of defeating a potential enemy; but the sense of urgency in Europe was not great enough to inspire the Allied nations to pay the price for what they needed. The Medium Term Defense

Plan, as drawn up in the spring of 1950, satisfied them because it called for an increase in armed forces without affecting national military systems, an increase in cooperation without transfer of power, and an increase in arms without any dislocation of the economy. The United States would assume whatever financial burden the Medium Term Defense Plan might generate.

The results of the London meeting of the North Atlantic Council in May reflected its members' unwillingness to pay more than lip service to the purposes of the pact. When the Ministers spoke of combining resources or of creating balanced collective forces, they clearly did so in deference to what had been expected of their labors.¹⁸ Certainly their practice of adding together national budgets and national forces did not suggest a serious desire to enlarge significantly individual contributions of manpower and production, or to set up a common system which would make proper use of national specialization, or to introduce a program of economic control to deal with the inevitable transformation of national economies. This is what such phrases as "coordinated planning," "balanced collective forces," and "mutual assistance," so prominently displayed in the communique of the Council, should have meant. But to most of the countries represented at that meeting, the keys to salvation lay in the fact of the existence of the organization and in the power of the United States, with its atomic weapons and enormous wealth.¹⁹ They regarded the rebuilding of military strength in the North Atlantic area as a gradual process and the implementation of the Medium Term Defense Plan as something to worry about in the future. The economic progress and prosperity of Europe seemed of more immediate concern, and the chance that the MPSB or DFEC or Standing Group could accomplish their tasks was slight.

Because of the spirit that dominated the deliberations in London, even a positive act such as the establishment of the Council of Deputies seemed to make a travesty of the job that was required. To be sure, NATO needed a body to give it political direction and administrative cohesion. The Council of Deputies would provide continuity by functioning as a permanent central institution with headquarters in London and with the authority to act in the name of the Council in the intervals between NAC meetings. The Deputies were both to carry out the Council's policies and to formulate issues requiring decision by the member governments. Specifically, they were to insure coordination of the work of the various NATO bodies, recommend steps needed to effectuate coordinated defense plans, and exchange views on political matters of common interest within the scope of the treaty.²⁰ Despite this impressive mission, however, it seemed clear that the Council of Deputies would be a pale carbon of the parent body and, like the Foreign Ministers' Council, would have no effective will independent of the governments represented. Even less distinct was the political coloration signified by the location of the Council of Deputies in London. It represented both a success in the continuing British attempts to identify London as the European center of NATO and another occasion for conflict with Paris. But no matter how deficient the Council of Deputies may have been in continuing political direction to NATO, if it could carry out even a portion of its duties it would make a distinct contribution to NATO's development.

A more modest but more effective decision at the London meeting concerned the setting up of a North Atlantic Planning Board for Ocean Shipping.²¹ The importance of such an organization was appreciated early when it was realized that the exclusive use of U.S. ships during certain stages in

any emergency would quickly bring on a shipping deficit. Thus, in the winter of 1950 an international working group made plans for a board to handle the allocation of merchant shipping in defense planning.²² It would be directly responsible to the Council and would work closely with the Standing Group.

Toward both the London proceedings and the Medium Term Defense Plan the U.S. representatives in the NATO units behaved ambivalently. The desire to effect a realistic defense of Europe against Communist attack was modified by a special need to satisfy U.S. public opinion and to defend the Military Assistance Program from congressional critics, who required assurance that the investment was paying off in terms of increased production, proper utilization of the military aid, and integration of Europe's contributions to the common cause.²³ In search of tangible evidence of progress, U.S. officials at a Big Three Conference held prior to the opening of the London meetings had pressed to find some way of establishing a centralized command structure, directed by the Standing Group, with authority to dictate the type of contributions each member should provide.²⁴ Americans showed marked irritation over European resistance to what appeared logical defense measures, and they were frustrated that a small country like Iceland could block the wishes of the NATO majority. The Secretary of Defense even questioned the wisdom of the JCS in having placed the United States in every regional planning group with the idea of participating only "as appropriate."²⁵ Although this system might stimulate Europe to assume greater responsibility, the uncertain status which it gave the United States forced the latter to suffer "all the costs of membership without having a strong voice in the determination of regional plans."²⁶

The impulse to eliminate these obstacles to progress was tempered, if not completely checked, by acceptance of the thesis that the economic, political, and psychological state of Europe would permit only a limited defense effort on the part of the Allies. This thesis, in turn, rested on the premise that the treaty and the organization it had set up provided in themselves a limited degree of security and thus gained for the NATO countries sufficient time to rearm themselves gradually. What better example of this confidence than the undisguised slow pace of the United States both in strengthening its own military establishment and in shipping military assistance to Europe?²⁷ The responsibility, therefore, for complacency about defense planning of the preceding months at the Council meeting in May was unquestionably that of the Allies as a body and not of the Europeans exclusively. The European nations were willing to accept the results because they found them not disruptive; the United States went along with them, despite misgivings, because the continuation of the Mutual Defense Assistance Program depended upon a favorable report of NATO activities. Both justified their actions by the conviction that the efficacy of current plans did not really matter. They saw ample time between 1950 and 1954 to revise and improve the Medium Term Defense Plan.

The Viewpoint of Europe

The most obvious conflict within NATO circles grew out of the differences between the United States and Europe in wealth, power, geographical position, and psychology. The United States inevitably garnered all the resent-

ments that accrue to a creditor no matter how beneficent his intentions, but jealousy and fear of American power and influence alone did not account for Europe's state of mind in the spring of 1950. First among reasons for hesitancy in rebuilding armed power came the fear of jeopardizing the still shaky economic stability, so recently secured with U.S. help. Behind all the actions of European diplomats at NATO conferences, according to a study group of the Royal Institute of International Affairs, was the implied belief that "full employment and the security given by comprehensive social services must and should be the first aim of a policy to meet the Communist challenge."²⁸ Rearmament was acceptable only if it did not jeopardize the hard-won improvement of Europe's standard of living. Although the United States underwrote this principle in the Mutual Defense Assistance Act and joined with the Allies in reaffirming it in the strategic concept and at the Council meetings in London, the countries of Western Europe continued to doubt that a defense buildup of significant proportions could be achieved except at the expense of their national standards of living. As the rearmament program progressed, it would be impossible to stop the diversion to military use of time, energy, and goods that would otherwise go into domestic consumption or toward improving the balance of payments in foreign trade.

Second to fears for the future of the individual national economies was Europe's apprehension about the role of West Germany in the defense program, particularly the nature of the German contribution. When the North Atlantic Treaty was under scrutiny by the Senate Foreign Relations Committee in 1949, the Senators were assured that the dismantling of German industry would be "complete and absolute" and that any "discussion of including Western Germany in the pact is not possible."²⁹ The language remained much the same when Secretary of State Acheson told the House Foreign Affairs Committee in June 1950 that the demilitarization of Germany was continuing. "There is no discussion of doing anything else. That is our policy and we have not raised it or revalued it."³⁰

Technically, the Secretary was correct. But in fact the role of Germany in the defense of Europe had become a subject of intense concern and extensive discussion at every level of government in the United States and among the Allies, although it never reached the stage of policy. In March, 3 months before the testimony quoted above, Acheson had inquired about the prospect of using the industrial capacity of Germany "without violating existing security prohibitions."³¹ Concurrently, Bohlen had presented the same question at a meeting in Rome of U.S. ambassadors to Europe. While Bohlen acknowledged Europe's visceral dread of German militarism, he felt that the Allies were prepared to accept the fact that there could be no European community without Germany, and that a Soviet-German combination might be the unacceptable result of the exclusion of the Federal Republic. The U.S. High Commissioner in Germany, John J. McCloy, agreed but deferred at that time to the "natural pathological Gallic reaction" to specific steps with respect to a German contribution.³²

No matter how rigid the official position seemed, the imperatives of the Medium Term Defense Plan required change. The ultimate success of the MDAP hung upon the integration of a German effort. If the key to the program lay in the increased productivity of Western Europe, Germany must make its contribution, if not directly in war production, at least in the manufacture of

steel for others to use. Such was the considered judgment of Under Secretary of the Army Tracy Voorhees in the spring of 1950.³³

The Germans themselves had been among the first to press for clarification of their position. Since their country was likely to be the battlefield in the event of war, Chancellor Konrad Adenauer had asked formally as early as December 1949 about plans for the defense of the Federal Republic. He feared that NATO would make only a token effort to contain an invasion at the Elbe and then retreat to the Rhine for a major stand. Given the projections of military plans in the winter of 1950, his questions were to the point. Lacking the facilities of a foreign office, Adenauer used press interviews to broadcast his alarm.³⁴ If German troops should be summoned, he would insist that they function "within the framework of a German federation." So the *Cleveland Plain Dealer* reported on 3 December 1949. Here was an offer of German assistance that could destroy the Atlantic alliance.

The inadequacies of the MTDP, particularly their legacy of pessimism over the defensibility of the European heartland, worried Danes and Dutch as well as Germans. Dirk Stikker, Foreign Minister of the Netherlands, claimed to be shocked by a NATO strategy anchored to the Rhine-Ijssel line, for it implied that the northern provinces of the Netherlands as well as German lands east of the Rhine were expendable.³⁵ Even General Pierre Billotte, France's first representative on the Military Committee, envisaged no serious defense of Europe without German rearmament.³⁶

Although the French Government could not accept either the language or the implications of Billotte's statements, it did make a proposal in May 1950 which reflected preoccupation with the German economy. France offered the Schuman Plan, involving the establishment of a European coal and steel community that would interlock German and French heavy industry in a supranational structure. Such Europeanizing of German power, with Italy and the Benelux countries also represented, would be a means of controlling West Germany, rebuilding Europe, and appeasing U.S. demands for integration.

Despite the opening seemingly offered by the Schuman Plan, the Foreign Ministers meeting in May 1950 in London did not exploit it either to develop new forms of economic integration or to break ground with a project for military integration. No mention of Germany appeared in the final communique of the NATO Council. All that was done to prepare the public for change was an announcement by the Foreign Ministers of the United States, the United Kingdom, and France at a post-Council session that spoke of gradual integration of Germany into "the community of free peoples of Europe."³⁷ The statement did not mention military contributions.

The prospect of balanced collective forces, not to mention fully integrated forces, exposed Europe's intramural suspicions about each other's intentions even more than the German question.³⁸ Non-Communist France wavered not only between neutralism and activism in its foreign policy but also between the advantages of an Anglo-Saxon-led Atlantic community and a continental community under its own leadership. To the French, U.S. insistence upon immediate results could possibly lead to the remilitarization of Germany in a manner unacceptable to France's security, and America's special entente with the United Kingdom could produce plans inimical to France's national and colonial interests.³⁹ Feeling in France ran high in May and June after Britain's coolness toward the Schuman Plan and strengthened the conviction that British support of a continental program could not be relied upon. France's

uneasiness with an Anglo-Saxon entente was always present, even when indirectly expressed. Bidault's idea of a civilian general staff for NATO would have elevated to power as coordinator of Europe's contribution to the alliance a European who would probably be a Frenchman with a voice equal to that of the American and Englishman.⁴⁰ A variation of this theme emerged in July 1950 at one of the early meetings of the new Council of Deputies when the French delegate, Hervé Alphand, revived a French plan for a civilian Big Three in which France would occupy a special position as it did in the Standing Group.⁴¹

Britain, for its part, was unappreciative of the special favor it supposedly enjoyed from the United States. On the contrary, the British periodically complained about being treated by the United States as a junior partner. If equality with the United States could not be achieved, the British wanted an assurance, at least, that their views on NATO problems would receive more consideration than those of the smaller members of the Alliance.⁴²

The mutual suspicions and jealousy of Britain and France had their counterparts in the attitudes of the smaller partners. In fact, such feelings often became exaggerated among the latter. Self-consciousness about their size and military insignificance made them sensitive to any real or imagined slights to their national self-esteem; accordingly they tended to be preoccupied with their prerogatives as equals in the partnership at the expense of the interests of the Alliance as a whole. They not only regarded their own security as the central factor in NATO, but—inevitable in an organization embracing such widely scattered territories—disregarded the problems of partners in other areas of Europe. The protection of Norway, for example, gave little concern to a Mediterranean country like Italy, while to the former the idea of extending NATO's commitment to Greece or Turkey seemed a rash and unnecessary step.⁴³ Consequently there was a reluctance among nations and regions within NATO to divulge to other nations and regions either their strengths or their deficiencies, except in the most general terms.⁴⁴

An especially acute question for the smaller countries of NATO was how to reply to the suggestion for balanced collective forces. On paper there could be nothing objectionable about the principle, the objective of which was to limit the military effort of each to the type of service which it could perform most easily and most efficiently, while leaving the bulk of the burden to the larger partners. In practice, however, problems arose immediately as the Allies attempted to implement this aspect of the strategic concept. The Netherlands, for example, boasting a long and distinguished seafaring tradition, did not take readily to the idea that its ships were not needed for the defense of Europe or that its plans for building minesweepers with the help of the U.S. Additional Military Production Program were not acceptable because such vessels could be produced more efficiently and cheaply elsewhere.⁴⁵ Despite the obvious fact that the Dutch could not really afford to maintain a large navy, the propitiation of their amour-propre required something better than the avuncular approach of Secretary Johnson, who "clapped Mr. Shokking [Dutch Defense Minister] on the shoulders and said that the U.S. Navy would be able to take care of Holland's defense."⁴⁶

Such an approach, no matter how well-intentioned, only aroused suspicion that the end product of military specialization might be a weakening of a nation's security if it had to become wholly dependent upon the support of an ally for any part of its defense. The fear of being made a pawn in the schemes of the leading powers prompted Denmark and Norway to protest vigorously at the

meetings of the Northern European Regional Planning Group when the United States and Great Britain, so generous in their advice, presented no specific plans for using any but Danish or Norwegian troops for the protection of their respective homelands. Even when pressed, the Americans and British claimed that they could not determine the disposition of their forces in Europe until they learned the needs of all the European regional planning groups. The most that they would promise was that the Medium Term Defense Plan for July 1951, which was to be ready by the summer of 1950, would contain the desired information. In the meantime, the Scandinavian countries had to be satisfied with the knowledge that U.S. troops would constitute a central reserve that would be rushed to the danger zones in an emergency. The issue according to Secretary Johnson "is also giving rise to considerable thought within the Standing Group."⁴⁷

If the promises of the major powers were not altogether convincing to Norway or the Netherlands, a measure of responsibility for this situation ought to be charged against the policies and rationalizations of the United States. U.S. representatives at NATO meetings seemed at times to nullify the spirit of cooperation that they were seeking to foster. They repeatedly refused to divulge U.S. production figures or vital statistics about U.S. aid plans. While their reasons appeared justified by the need to protect America's own security and to keep Europe's rivalry for U.S. aid to a minimum, many Europeans gained the impression that the United States advocated one policy and practiced another, that it urged integration and a multilateral approach for Europeans and followed a policy for itself of consulting national interest first while dealing with Europe through bilateral negotiations.⁴⁸

The double standard imposed by the United States was particularly visible in matters of base facilities in NATO territories. While the host countries understood the reasons for U.S. demands, they frequently felt that Americans failed to appreciate national dignity when they made plans for Western defense. For example, Secretary Johnson, at the conclusion of the London meetings of the North Atlantic Council in May, made a special point of asking that base rights in Greenland and elsewhere be in full accord with U.S. needs, as determined by the JCS, before they became a subject of NATO or even of bilateral deliberation.⁴⁹

Intramural competition within the U.S. defense establishment exacerbated NATO distress, since it tended to result in rigid U.S. positions. The mutual suspicions of the State and Defense Departments also had ramifications which affected the Allies. When the London meetings produced a Council of Deputies, the Pentagon expressed concern over the functions of this new NATO machinery. The new Council might assume so much authority, Defense felt, that the civilian side of NATO could gain an "undue control over the military planning side." And, since military subjects inevitably would be introduced into the Council of Deputies, the U.S. Deputy should have a military adviser at his side.⁵⁰

These sentiments, widely known to the Allies, generated tension. But of all the uncertainties that afflicted Europeans, the most sensitive remained the potential subordination of economic aid to military aid, despite U.S. professions to the contrary. This sensitivity accounted for the alarm of the Dutch and British when the United States responded to a request from the Defense Financial and Economic Committee to examine economic and financial potentialities of the NATO governments. Although nothing specific

was recommended, Stikker and Bevin were disturbed over the wording of the U.S. resolution, which observed that "the making of additional military expenditures must be judged, not only in light of economic and financial conditions, but also in light of the needs of defense." The language was changed to read: "While the making of additional military expenditures must be judged in the light of economic and financial conditions, adequate consideration must be given to the needs of defense."⁵¹ Was this a distinction without a difference? The NATO partners recognized a difference in nuance which, if left unchanged, might unbalance the delicate relationship between military and economic aid.

Development of the Mutual Defense Assistance Program

Unfortunately, the achievements of the Mutual Defense Assistance Program in the spring of 1950 contributed little to improving the psychological state of Europe. After the program became operative, only a brief period remained before the end of the fiscal year. Almost all the military items promised for Europe required a year or more to manufacture, and what was ostensibly available immediately in the form of excess stocks often required extensive reconditioning. As of 28 July France had received only 5.1 percent of the programmed amount; Belgium, 4.7 percent; the Netherlands, 10.8 percent; Italy, 10.2 percent; Greece, 8.6 percent; and Turkey, 0.2 percent.⁵²

Because of difficulties beyond its control, the MDAP sometimes tended to impair further the morale of the Allies, especially if administrators of the program were not careful to restrict their promises and predictions to areas where they might be fulfilled. There existed a temptation to justify the program to Congress, to the public, and to the recipients themselves by making the most of every accomplishment. Consequently, when the French aircraft carrier *Dixmude* sailed from Norfolk, Va., on 18 March with 48 U.S. Navy carrier fighters and bombers, and when 2 days later four B-29's flew to England from Andrews Air Force Base, Md., these initial shipments were made the occasion for widely publicized celebrations.⁵³ Triumphantly the Director of MDAP announced on 29 April, the eve of his resignation, that "thousands of tons of supplies and equipment have been shipped and thousands of tons more are on their way to ports for loading."⁵⁴

Pronouncements of this sort created the impression at home and abroad that help for Europe's defense effort was on its way in great quantity. They confirmed the expectation of public opinion among the NATO allies that the \$1 billion appropriated would be turned into goods and delivered promptly. Fearing that the Secretaries of Defense and State shared these expectations, Secretary of the Army Gordon Gray urged Secretary Johnson to dispel the notion held in France that a steady flow of goods would follow the initial deliveries. As a representative of the operating agencies, Gray knew that, when the limited supply of surplus stocks requiring no rehabilitation was exhausted, there would be a marked slackening in shipments.⁵⁵ Far from maintaining the initial pace, the program scheduled for the Title I countries had no chance of being fulfilled, and the recipients, he felt, should be so informed to avoid future misunderstandings.⁵⁶ Secretary Johnson was reluctant, however, to admit

publicly that the schedules could not be met and suggested instead that efforts be made to expedite the procurement process by invoking "public exigency." "Spare parts can be procured as proprietary articles; letters of intent can be used to start work at an early date, and delivery time can be shortened by a variety of expediting methods."⁵⁷

Invocation of public exigency, as urged by the Secretary of Defense, could effect a reduction of administrative delay in placing procurement contracts, but it would not shorten the leadtime before final delivery of the end item.⁵⁸ Eventually the facts had to be faced, and the false hope built up in the State and Defense Departments as well as in Europe had to be cut down to size. There was no practical shortcut to a solution. The initial flow of goods came from readily available stocks, and when these were dissipated, deliveries became dependent upon rates of repair and manufacture. To accelerate either process required time-consuming expansion of facilities. From the Army point of view, there was no way of evading the fact that \$111 million of Title I funds could not even be obligated by 30 June. Furthermore, a study made early in April 1950 indicated that in the following year only 31 percent of the program by tonnage and 48 percent by value would have been shipped to Europe.⁵⁹

Although delay was unavoidable, the military Services tended to release their frustration over late deliveries by attributing their difficulties to inefficient administration. Failure of the Army to receive funds on the promised date of 1 February 1950 not only delayed accomplishment of the program but also led to the accusation that the State Department had established a clumsy system for handling funds. Notwithstanding adjustments and compromises made by both the State and Defense Departments in the fall of 1949 and early winter of 1950, the Services continued to maintain that the program would be more efficient and more expeditious if State's control of finances were restricted to its own administrative needs, and if funds appropriated for military implementation of MDAP went directly to the military departments concerned through the Secretary of Defense.⁶⁰ Now that the initial phase of formulating guidance and policy for MDAP was concluded, the discharge of Service responsibilities could best be facilitated, according to Secretary Gray, by making the Secretary of Defense directly responsible to the President for meeting the military requirements of the program. In addition, future requirements, both for foreign policy guidance and for military operational tasks, should be met by the units within the Departments of State and Defense which "normally perform those functions within their respective Departments."⁶¹ The departure of the Director for Mutual Defense Assistance gave some color to Defense charges, fairly or not, that State was unable to provide the necessary leadership for the program. At the very time when the program was beginning to get underway, it was announced that the resignation of James Bruce had been accepted. On 1 May, John H. Ohly, the Deputy Director, became the Acting Director.⁶²

Restrictions imposed by Congress also played a role in inhibiting the program's development. For Title I countries, the appropriations for military assistance might just as well have been made in January as in October, because Congress prevented action until the President had approved NATO's strategic concept and the recipient nations had signed bilateral agreements with the United States regulating the disposition of U.S. funds. Even after these requirements had been met, other legislative restrictions continued to impede the program's operations. For example, the provision in Section 104 of Public

Law 329 that funds would not be used "to construct or to aid in the construction of any factory or other manufacturing establishment outside the United States or to provide equipment or machinery (other than machine tools) for any such factory or other manufacturing establishment" made it difficult for the administrators to apply efficiently the \$85 million that had been allotted to the Additional Military Production Program. A strict construction of "machine tools" and a specific prohibition against using funds to offset the economic impact of rearmament held up implementation of many of the 1950 projects which had been submitted by the different European nations.⁶³

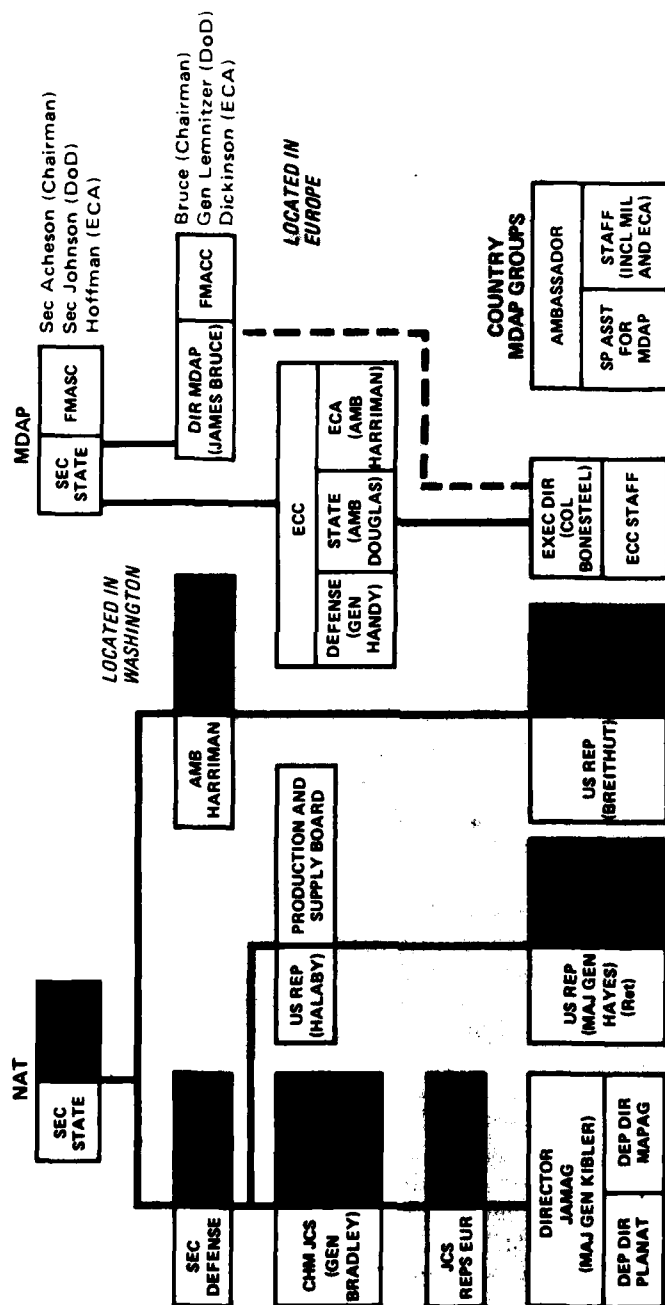
Although it was widely accepted that aid to European production was indispensable to increased rearmament abroad, the administrators felt that the legislation had to be carried out in such a way that no allegation could be raised that U.S. funds had been employed to foster foreign competition with American industry or to establish a foreign munitions industry.⁶⁴ To avoid this danger, they considered it advisable to direct funds into a less controversial area, such as production of spare parts to maintain military equipment of U.S. origin already in Europe and to service new equipment to be received under the MDAP.⁶⁵ The European countries, however, had shown little interest in applying Additional Military Production funds to this relatively noncontroversial area, and by the end of the fiscal year 1950 only \$13 million out of the \$85 million available had been obligated.⁶⁶

Because of the difficulty in spending the funds provided by Congress before the expiration of the fiscal year, the Secretary of the Army, with the concurrence of the Secretaries of the Navy and the Air Force, urged the Secretary of Defense to devise some way of keeping the program alive until the contract authorizations had been completed, recalling that the Greek-Turkish program of the previous year had not become law until October 1949 because of protracted congressional deliberation.⁶⁷ If this pattern recurred, personnel paid from MDAP funds would have to be dropped and the entire program would be forced to a costly, even if temporary, cessation of activities. To obviate this danger, Gray suggested that the extension of FY 1950 funds be proposed to Congress as a measure separate from the new 1951 bill.⁶⁸

As a matter of practical politics, however, this proposal had significant drawbacks. Secretary Johnson feared that it "would give the Congress an excellent excuse not to enact the \$1.1 billion fiscal year 1951 program as included in the President's budget message."⁶⁹ He did ask State for an interdepartmental clearance for legislation (on a standby basis) to extend to 31 December 1950 the period during which appropriations and contract authority might be obligated and exercised,⁷⁰ but, even when it became apparent in May that the 1951 MDAP legislation would not be passed before the 1950 program expired, Johnson made no move to press for action.⁷¹ Instead, he informed the Secretary of the Army that extension of the time limit until 30 June 1951 would be handled in the fiscal year 1951 bill, where it would be incorporated as Section 403 (e). Similar provision was to be made in the Omnibus Appropriation Bill. Since the latter would not be enacted prior to 30 June, it appeared reasonable to expect that a joint resolution would make temporary appropriations available. The unobligated 1950 MDAP funds, accounting for only a small part of the total involved, should attract, it was hoped, very little attention, favorable or unfavorable.⁷²

Such an elaborate strategy for winning congressional approval was not really necessary at this time. In May 1950 there existed a rapport between

3. THE MUTUAL DEFENSE ASSISTANCE PROGRAM AND THE NORTH ATLANTIC TREATY ORGANIZATION, 1950



SOURCE: Department of State files 740.5 M.I/P/2-1550

NAT ORGANIZATIONS

U.S. ELEMENT NAT ORGANIZATION

Congress and the executive branch which had not been in evidence a year before and which had been achieved in part by the care taken by the State and Defense Departments to submit their recommendations to key members of the House and Senate committees even before the Bureau of the Budget held its hearings on the new program.⁷³ The express purpose for adopting this procedure was to iron out in secret session differences that might become fatal if exposed to attack in open debate.⁷⁴ In general, this tactic succeeded.

If Congress showed little of the obstructive spirit which it had exhibited in 1949, some of its mildness owed its origin to a conciliatory attitude on the part of the Administration. It requested for MDAP only \$1.222 billion, with Title I countries scheduled to receive the same amount as had been appropriated the preceding year. Having accepted the 1950 fiscal year program, the legislators had few grounds for complaining about its continuation since it was understood that military aid would have to be granted over a period of years before Europe's defenses would be restored.⁷⁵

Most of the changes requested by the Administration, derived from the experience of the previous year, sought greater efficiency. In Title I, grant aid would be extended to "such nations as are parties to the treaty and request such assistance."⁷⁶ Further aid for the NATO countries came from an amendment broadening the interpretation of "machine tools" to include production equipment of all sorts. Assured that none of the other prohibitions enumerated under the 1949 act would be disturbed, the congressional leaders accepted the amendment as necessary to the success of the Additional Military Production Program.⁷⁷ The Administration found equally gratifying the easing of terms for negotiation of reimbursable aid which had been made available to specified nations in addition to those named for grant aid under Titles I, II, and III. Recipients no longer had to pay the original costs of deteriorated or obsolescent equipment, or to make full payment for equipment prior to the execution of a contract for its procurement.⁷⁸

Despite the prevailing atmosphere of harmony, a few areas aroused hostile reaction in congressional committees. One of them was found within Section 408 (e). In the course of reforming the system of reimbursable aid, the planners arranged for assistance not only to Title I, II, and III countries and to nations (such as those of Latin America) joined with the United States in a collective defense or regional arrangement, but also "to any other nation . . . whose increased ability to defend itself against aggression is found by the President to be important to the security of the United States."⁷⁹ Almost identical language appeared in 408 (c), whereby the President was authorized in emergency situations to shift up to 10 percent of the total amount appropriated for mutual defense assistance. Discussion of the phrase "other nation" pushed other questions into the background. To Congress the phrase recalled the struggle of the previous year when it had forced the Administration to redraft its military aid bill, listing the names of each recipient nation. This time, of course, Presidential discretion covered a much more limited sphere, but the nerve was still raw.

Congressional hostility to this aspect of Sections 408 (c) and (e) came as no surprise to the FMACC, but the officials felt that the provision was necessary to help nations such as Austria and Yugoslavia, whose territorial integrity was vital to NATO.⁸⁰ In addition, the JCS had recommended the extension of reimbursable aid to countries like Saudi Arabia, India, Pakistan, and Afghanistan, and since they belonged to no regional group with which the

United States was connected, this seemed to be the easiest method of bringing them into the program.⁸¹ Fortunately, the informal preliminary sessions with the House and Senate committees and private talks between Ohly and Lemnitzer for the Administration and key leaders of both Houses of Congress had fully examined the issue. As a result of these meetings, it was decided to contrive a formula which would meet the needs of the Administration and still avoid giving the President a broad grant of discretionary power.⁸² In the end, the "other nation" insertion was allowed to remain in the reimbursable aid clause, but the President's authority to transfer grant aid was restricted to

any other European nation whose strategic location makes it of direct importance to the defense of the North Atlantic area and whose immediately increased ability to defend itself, the President, after consulting with the governments of the other nations which are members of the North Atlantic Treaty, finds contributes to the preservation of the peace and security of the North Atlantic area and is vital to the security of the United States. Whenever the President makes any such determination he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committees on Armed Services of the Senate and of the House of Representatives, and the Committee on Foreign Affairs of the House of Representatives.⁸³

The invasion of the Republic of Korea facilitated the passage of the 1950 Mutual Defense Assistance Program as well as a solution to the reimbursable aid problem. Four days after the event, on 29 June, the Senate passed the bill by a vote of 66 to 0, and on 19 July the House followed with an equally impressive margin of 361 to 1. On 26 July 1950 the President signed the legislation.⁸⁴ Without minimizing the impact of the Korean incident upon Congress, it could be claimed that Congress had made up its mind on the merits of the MDAP and the work of NATO before the invasion, and that the original bill (not the August supplement) would have been passed without much trouble even if events in the Far East had not intruded. Preliminary conferences had been held in May; the President had sent the message to Congress on 1 June 1950, recommending the authorization of funds; all committee hearings in both Houses had been completed by 26 June; and the Senate Committee on Foreign Relations had presented a favorable report on the fiscal year 1951 MDAP on 21 June.

Congress accepted not only the need for making changes in the MDAP machinery which the Administration requested but also the Administration's assumptions that Europe's economy must not be disturbed, that the balance of power should be restored gradually, and that a sound strategic plan should be implemented. The committees heard a full discussion and accepted the concept of "balanced forces."⁸⁵ Although dissatisfaction periodically arose over the Administration's neglect of the Far East, over the lack of provision for using German manpower, and over the absence of plans for a centralized command structure, the feeling was not universal.⁸⁶ Even the Ellender Amendment, which authorized the President to terminate aid to any NATO recipient not making a full contribution to the defense of the North Atlantic area,⁸⁷ reflected no special disapproval of the Medium Term Defense Plan or the Allies' role in the MPSB and DFEC. It was merely insurance that in the future the Title I countries would continue to do as well as they had in the past. Until 26 June 1950 Congress and the Administration shared assumptions that became untenable in the months following the invasion of Korea.

CHAPTER VII

Impact of the Korean War on NATO June – September 1950

Interpretations of the Conflict

The Communist invasion of the Republic of Korea on 25 June 1950 aroused the West to an apprehension that its security might be immediately jeopardized. In the United States it set in motion a review of both the Nation's defense efforts and the role of NATO in defense of the Alliance. The initial success of the North Koreans awakened a realization among diplomats that the Soviet Union possessed the capability of "taking, or inspiring through satellites, military action ranging from local aggression on one or more points along the periphery of the Soviet world to all-out general war."¹ This conviction directed U.S. attention to other parts of the world besides Korea, to peoples whose confidence in the United States as an ally depended on its ability to stand fast in Korea.

To deter attack and to hearten allies required the immediate federalization of the National Guard, new appropriations for the U.S. military forces, and careful economic controls in the allocation of scarce materials. These measures in turn necessitated an acceleration of the rate of deliveries in the MDAP for Europe and an expansion of military production facilities among the NATO allies. Such was the recommendation of Bohlen and it was also the substance of President Truman's message to Congress on 19 July 1950. As Truman expressed it, "... the United States is required to increase its military strength and preparedness not only to deal with the aggression in Korea but also to increase our common defense with other free nations, against aggression."²

For President Truman, very conscious of his role in history, the invasion of South Korea was a landmark in American history. Truman never saw it otherwise. Flying back to Washington from Missouri on that fateful day, he reflected on the meaning of the news from the Far East. He reported in his memoirs that he recalled the 1930's. If the invasion "was allowed to go unchallenged it would mean a third world war, just as similar incidents had brought on the Second World War."³ In interviews with journalist Merle Miller years later, he repeated these thoughts: "The flight took about three hours, and on the way I thought over the fact that what the Communists, the North

Koreans, were doing was nothing new at all. . . . Hitler and Mussolini and the Japanese were doing exactly the same thing in the 1930's. And the League of Nations had let them get away with it. Nobody had stood up to them. And that is what led to the Second World War."⁴ The image of falling dominoes was even more explicit in conversations with congressional leaders 2 days after the attack: "If we let Korea down, the Soviets will keep right on going and swallow up one piece of Asia after another. We had to make a stand some time, or else let all of Asia go by the board. If we were to let Asia go, the Near East would collapse and no telling what would happen in Europe."⁵

Firm in a belief that no negotiation with the enemy was possible, the United States in the years after 1950 undertook to prepare itself against a powerful foe whose appeal was insidious and whose actions were centered in Moscow. There was no place for diffusion of Communist power or for divisions among the nations of the Communist bloc or for neutrals of the Third World. For a decade in the Truman and Eisenhower administrations, and to only a slightly lesser extent in the Kennedy and Johnson administrations of the 1960's, this line of reasoning continued with few changes. Halting the invasion of South Korea was a challenge which the Nation seemed to require to institutionalize the Truman Doctrine and to assume the role of world leadership. As Bohlen wrote with pardonable exaggeration: "It was the Korean War and not World War II that made us a world military-political power."⁶ Europeans breathed a sigh of relief over the U.S. response, which, according to Anne O'Hare McCormick, was "almost as palpable as a rush of fresh wind on a sultry day."⁷

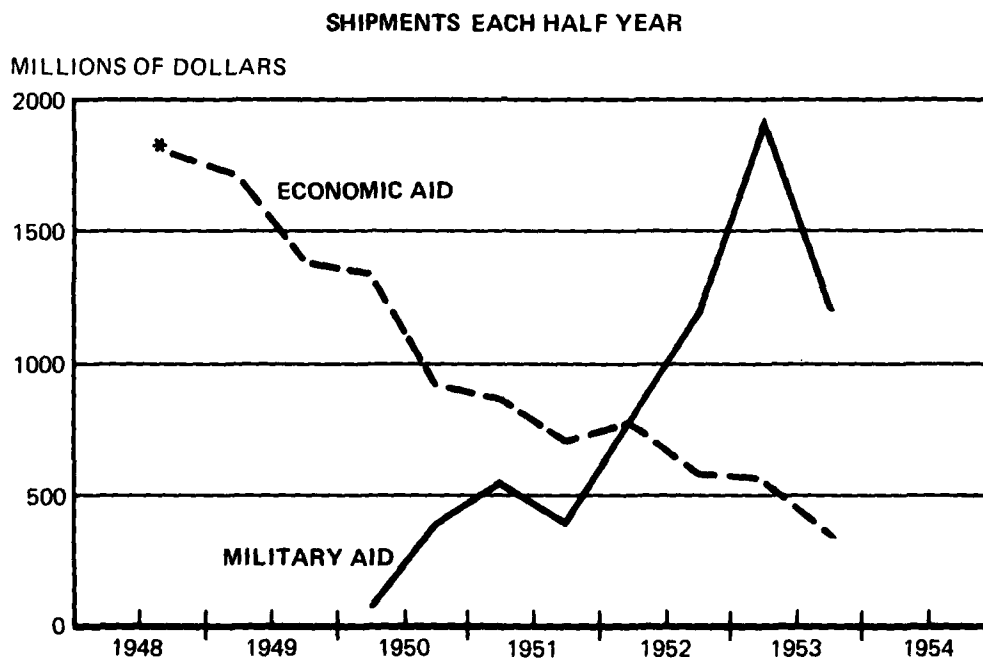
U.S. officials not only subscribed to the wisdom of the Administration's response when they recalled the events of June 1950 but also showed pride in their Nation's action. Dorothy Fosdick of State's Policy Planning Staff admitted that the initiative had been on the other side, partly because of errors in U.S. statecraft, but, she added, "in foreign policy just having the initiative is no virtue. Far from being ashamed that we came into the war to *defend*, that was the right way to come in."⁸ Ambassador Harriman was "convinced Stalin directed the attack on South Korea and did not think we could intervene except to protest to the United Nations."⁹ The swiftness and forcefulness of U.S. reactions, he felt, threw the Russians off balance. Even such diplomats as Bohlen and Kennan, who had deep reservations about the conduct of the war, were relieved at the reaction of the United States. They had no doubts about Soviet involvement in the crisis. It would be "childish nonsense," as Bohlen put it, to believe otherwise.¹⁰ The Soviet Union may not have desired a general war, but it hoped, Kennan believed, to exploit the crisis to break up NATO.¹¹ The major contest, then, between the United States and the Soviet Union was not just over position in Korea but over the steadfastness of U.S. commitments abroad.

It was not until the next generation's experience with war in Vietnam that revisionists discovered in the Korean conflict a vehicle for the Administration's realization of the aims of NSC 68. By accident or by design, according to such critics, the invasion of South Korea served to activate NSC 68. Acheson himself may have confessed this elliptically when he observed in his memoirs: "Events in Korea had broken the inertia of thought on many critical matters."¹² His biographer, Gaddis Smith, found NSC 68 to be "a thoroughly Achesonian exposition," while Ronald Stupak, another student of Acheson's career, claimed that the Secretary of State was "instrumental in operationalizing

NSC 68, the theoretical foundation for rearming the United States when the Korean conflict erupted. . . .¹³ That the war unleashed the ambitions of an aggressive Secretary, a veritable "commissar of the Cold War," as Ronald Steel has called him, was the position also of Joyce and Gabriel Kolko. They discovered in the apparent differences between civilian and military representatives over the amount of funds NSC 68 would require a greater martial ardor in civilians whose "desire . . . to spend money as a tool of foreign economic policy as well as scarcely comprehensible to the docile military men."¹⁴

But even if no direct connection could be made between NSC 68 and the coming of war, critics alleged that officials manipulated the situation to push the United States into a massive armament program for itself and its allies. To

4. U.S. ECONOMIC AND MILITARY AID SHIPMENTS, 1948-1954



ECONOMIC AID — Value of shipments of food, fuel, industrial raw materials, fertilizers, machinery, and equipment, etc., plus \$ payments for industrial development projects, technical assistance, contributions to the European Payments Union, and other forms of economic and financial aid to European NATO countries; does not include Intermediate Type Aid.

MILITARY AID — Value of weapons, ammunition, and other military equipment supplied to European countries; does not include Intermediate Type Aid or training programs. Includes relatively small amounts for non-NATO countries in Europe, Near East, and Africa.

Source: Lord Ismay, *Secretary General of NATO*

NATO: *THE FIRST FIVE YEARS, 1949-1954*, p. 137.

win the votes of Congress and the approval of the public they had to evoke a Red specter at home and abroad. The Korean War was their instrument. How could men who used words with the precision of Acheson, asked Richard Barnet rhetorically, be so imprecise in speaking of a "red tide of aggression"?¹⁵

The facts are undeniable. The Korean War did alter the direction of U.S. foreign and military policy in such a way that the recommendations of NSC 68 were approved by the end of September 1950. The National Security Council, with the President as chairman, adopted its conclusions and agreed to implement an amended version of it as "rapidly as feasible."¹⁶ Draft reports of 8 and 14 December 1950 included military and economic aid scheduled for fiscal year 1951 that would total \$8.697 billion, and for fiscal year 1952, \$10.409 billion. Since 1952 was seen as the year of maximum danger, the funds for foreign assistance would taper down to \$5.01 billion by 1955.¹⁷

Chance, not rational choice, appears to be the probable explanation for the confluence of the Korean War and NSC 68. Truman's foreign policy may best be presented, as David McLellan and John Reuss suggest, "in terms of leaders faced with desperate and compelling choices, forced to act under circumstances of greatest uncertainty, and acting while straining to avoid plunging the world into a new maelstrom."¹⁸ The evidence derived from the experience of the MDAP gives little comfort to revisionist judgments.

The Supplemental Appropriation Bill

Dramatic events followed rapidly, one upon another, after 25 June. The decision of the United Nations to take action against North Korea and the dispatch of U.S. troops to help the small forces of the beleaguered republic occurred within a week. Three months later the military budget of \$13.3 billion so carefully worked out by Secretary Johnson was supplemented by an \$11.7 billion appropriation bill for the defense establishment for the fiscal year 1951. Selective Service doubled its requirements for mid-1951, from 1.5 million to 3 million men, and a National Production Act granted the President authority to begin mobilization of U.S. economic resources.¹⁹

Against this background of events the U.S. attitude toward NATO and MDAP underwent a radical change. Prior to the war the Administration and Congress had been satisfied with the anticipated effects of a \$1 billion military assistance program. This sum, it seemed, represented the most that public opinion would allow and also the maximum that could be profitably applied by Europe to improve its defense forces. Overnight, the errors in this calculation became apparent, making the \$1 billion in military aid to Title I countries painfully inadequate. The result was that a \$1.225 billion program, almost ready for enactment when the news from Korea reached Congress, was increased by \$4 billion.* NATO received \$3.504 billion of this sum; Greece, Turkey, and Iran received \$193 million in additional aid; and the critical Title III area, which originally had received only \$91 million (with "the general area of China" accounting for \$75 million of this amount), was now the beneficiary

*Lemnitzer recalls that he first recommended such an increase, without consultation with anyone, in a memorandum to Secretary Johnson. The Secretary never referred to the matter again, but on 19 January 1953, the day before Truman left office, Lemnitzer was summoned to the White House for a short conversation with the President and was handed the memorandum he had given to Johnson 2½ years before. Under Lemnitzer's signature was written in longhand: "Approved. HST."

of \$303 million.²⁰ The importance of securing and obligating this huge amount seemed so urgent that the President decided to seek this appropriation from Congress without obtaining the usual authorizing legislation. Congress cooperated. Whereas the more modest Military Assistance Program of the spring of 1950 required 2 months of detailed examination by Congress, the emergency bill—more than three times the size of the original—was tacked on to the supplemental appropriations bill after very little study.²¹

On 1 August, the day after the President had transmitted the request to Congress, the \$4 billion addition received a hearing before the Armed Services Subcommittee of the House Committee on Appropriations, and 3 weeks later the committee approved the supplemental appropriation with the following comment: "The committee, realizing the seriousness and the urgency of the requirements covered by this estimate, approves the request for the supplemental amount of \$4,000,000,000 in the full belief that it will be put to a most useful purpose in the interests of the United States and the entire free world."²² Senate approval was equally unreserved, and the President signed the supplemental appropriation bill containing the increased MDAP funds on 27 September, only 3 weeks after Congress had approved appropriations for the original \$1.225 billion MDAP.²³

The spirit which facilitated the appropriation of \$4 billion also gave rise to the reaction against the earlier concepts of NATO's function as a war deterrent. The elaborate NATO framework, with its numerous subsidiary units, now appeared an empty shell incapable of repelling a sudden attack of any magnitude. What was worse, the Allies lost confidence for the moment in NATO's ability to prevent such an attack from occurring. What had happened in the Far East could happen in Europe. If the Russians could act through North Korean or Chinese Communists, they could also employ East Germans or Poles as their surrogates. Disillusionment with old formulas expressed itself in a new concentration on immediate, large-scale strengthening of Western Europe. According to the President's message to the House on 1 August, "the security of the free world requires the United States and the other free nations to put forth a far larger effort in a much shorter period of time than had originally been contemplated."²⁴ The nature of the emergency demanded nothing less.

As a consequence of this new approach to NATO problems, attention to political, economic, and psychological factors, which had hitherto conditioned the development of the Alliance, receded into the background. Armed power was now not simply the end product of a gradual process but the dominant issue at every stage of the program.²⁵ Indicative of the change was the congressional slash of \$208 million from ECA funds 3 days after the invasion of the Republic of Korea, ostensibly because some of the funds for fiscal year 1950 remained unobligated.²⁶ This was the very action which MDAP planners had feared a month earlier for the very same reason!²⁷ While economic aid received increasing scrutiny by Congress as an undesirable competitor for military assistance funds, the MDAP monies received correspondingly less criticism as the summer of 1950 drew to a close. Normally, the thought of adding billions to such a bill would have created a demand for careful examination of their use and there would have been considerable skepticism about the comments of the Administration, especially when the figures would have to be based on the estimates of the individual recipients and could not conform to a strategic concept, but the congressional hearings were relatively quiet on this potentially explosive subject. Reasons of security and the need for haste deterred the

**5. VALUE OF MILITARY SHIPMENTS AND QUANTITIES OF
MAJOR MILITARY ITEMS SHIPPED
1 July–31 December 1951**

[Millions of dollars]

Recipient Area	1 July – 31 December 1951	Cumulative through 31 December 1951
Total	547.1	1,699.0
Europe — TITLE I	403.1	1,248.8
Near East and Africa — TITLE II	57.0	220.2
Asia and Pacific — TITLE III	87.0	230.0
Agency		
Total	547.1	1,699.0
Department of Defense	479.0	1,600.0
Department of the Army	320.0	996.0
Department of the Navy	79.0	378.0
Department of the Air Force	80.0	226.0
Mutual Security Agency	68.1	85.4
Department of Agriculture		13.6
Service and Item		
	1 July – 31 December 1951	Cumulative through 31 December 1951 (Preliminary)
Department of the Army:		
Radio and radar	2,014	8,990
Tanks and combat vehicles	1,018	7,310
Motor transport vehicles	11,523	29,875
Small arms and machine guns	303,267	670,308
Artillery	4,345	10,888
Ammunition—small arms & machine guns	66,644	240,100
Ammunition—artillery	2,193	8,143
Department of the Navy:		
Vessels	128	316
Aircraft	124	365
Department of the Air Force:		
Aircraft	287	952

Source: Lord Ismay, Secretary General of NATO,
NATO: *The First Five Years, 1949–1954*, p. 2.

committee members, for the most part, from going into excessive detail on the exact number of troops Europe was to provide and how closely that number fulfilled the promises of integration.²⁸

Congressional acceptance of the Administration's hastily assembled \$4 billion adjunct to the MDAP proved to be a mixed blessing, however, for the future health of the program. It was too obviously an emotional reaction to the shock of the Korean invasion and not an objectively considered foreign military policy. Congress supported these new requests without much question, partly because its attention was distracted by U.S. military action in Korea; but in the long run a distraught Congress could not fail to contrast the vast sums allotted to Europe prior to the crisis with the paltry amount allocated to Asia. A preoccupation with explanations for the source of putative U.S. error in Far Eastern policy overrode every other consideration in Congress during the summer of 1950.²⁹ It was a time when the North Korean armies threatened to drive the undermanned U.S. forces off the Korean peninsula. It was also a time when congressional elections were only a few months away.

Secretary Johnson and especially Secretary Acheson had to bear the brunt of popular resentment over the Nation's misfortunes. In committee hearings, on the floor of Congress, and in more than a few editorial pages throughout the country, the Secretary of State was accused of personal and exclusive responsibility for the deaths of U.S. troops in Korea.³⁰ Johnson's resignation, actually for reasons of conflict within the Administration rather than with Congress, was tied directly to the Korean War.³¹ Thus while congressional clamor over Far Eastern policy diverted unfavorable attention at this time, there was no assurance for the Administration that the MDAP in the future might not be subjected to the same sort of attack if results did not meet expectations.

European Defense and the German Question

The positive U.S. response to the challenge of the North Korean invasion made a deep impression on the NATO allies. The bold and unequivocal stand seemed a significant indication of the value of American promises in time of crisis. It quieted both the fear of recurrent isolationism and the fear of neglect of Europe in favor of Asia as a result of open warfare on the Korean peninsula. The appropriation of \$4 billion, the bulk of which was scheduled for Western Europe, probably provided more comfort than any oral assurances could have done, no matter how earnestly or how vigorously such statements might have been made. The U.S. commitment was clear. Secretary Johnson urged the JCS to make every effort to see that Europe would not take a "backseat" to the Far East.³²

Grateful as Europeans were for U.S. earnestness of support, particularly the \$4 billion supplemental, they had reservations about the price they would have to pay for this support. The Administration recommended that the bill include a proviso requiring that "the other NATO countries are prepared to go forward promptly with the necessary measure to implement a program of development of defensive forces."³³ The Allies knew this, and knew also that the size of the forces they were expected to man and equip was larger than they were

prepared to offer. But there was little choice. Secretary Acheson spoke for his colleagues when he expressed his fear that Europeans might accept their present contributions as "ceilings" and relax while a thoroughly aroused United States would do their job for them. In this spirit he asked on 22 July for the "firmest possible statements from European countries of nature and extent of increased effort," and he wanted the statements to be submitted within 2 weeks' time.³⁴

While requests of this kind created uneasiness among Europeans, they attempted to gratify the United States. The European allies wanted more than new U.S. end items; they wanted an increase in U.S. forces in Europe, and they were willing to talk about an integrated NATO defense system if it would be headed by a U.S. commander. This interest was not altogether new; it was merely more imperative after Korea. The French appeared to come around to share Dutch and Danish concerns about the inadequacy of a defense stand at the Rhine and the inadequacy of any defense that might mean liberation in the future. So the "forward strategy" far east of the Rhine was politically vital if not really militarily feasible in the summer of 1950.³⁵ To assure a U.S. presence as far east as possible in Germany, the European partners would have to accept what had been obvious to Americans before Korea—larger European defense forces with German troops among them.

Ironically, it was France—the country which most feared a revived Germany—that helped provide the means to include German troops in NATO forces. The French suggested once again the idea of a common fund under NATO supervision to be made up of national contributions based on national incomes. The pool, according to Premier René Pleven, would include equipment as well as monies and would be apportioned as needed under central direction. This plan then would satisfy the U.S. call for a genuine collective defense effort.³⁶

French pressure for a complete pooling of Allied resources was as unsuccessful in convincing U.S. policymakers after Korea as it had been before Korea. It evoked a suspicion that the French were trying out a device either to minimize their own contribution or to achieve a position for themselves equal to that of the British in NATO planning, for the French envisioned an international war cabinet in which they could share power with the Anglo-Saxons.³⁷ Moreover, the French proposal failed to take into account the historic role of Congress both in the management of monies and in the control over their use.³⁸

Yet U.S. planners recognized that the idea of a pool, at least in the form of a common military force, should not be slighted since it followed a path the United States had been pressing the Europeans to pursue. Ambassador Bruce urged the Secretary of State not to "dismiss out of hand" the suggestion that national financial contributions be placed under a common governing body. If U.S. contributions could be safeguarded, the plan had the virtues of efficiency and economy.³⁹ Far more significant was the potential solution a common force would provide for the troublesome German question, which loomed so large as NATO reviewed its resources and commitments in the summer of 1950. The French themselves did not shy away from the subject initially. In fact, Jules Moch, the Defense Minister, felt that a common approach would be the only way for the French to accept a German contribution to the defense of the West.⁴⁰ The French, according to Ambassador Bruce, had become cynical

about the prospect of a French army standing alone as the defender of Europe; memories of 1914 and 1940 were still alive.⁴¹

France's softening on the German question was not merely a subject of clandestine discussion among NATO leaders. On 25 July France withdrew publicly its objection to the manufacture in Germany of war materiel for NATO consumption. A month later, the Defense Ministry was willing to allow German police to be used as a surrogate military arm in the event of an emergency.⁴² Chancellor Adenauer interpreted these steps as a sign that French resistance to change had lowered, and his optimism was buttressed by Winston Churchill's resolution in August before the Assembly of the Council of Europe in favor of "the immediate creation of a unified European Army, under the authority of a European Minister of Defence, subject to proper European democratic control and acting in full cooperation with the United States and Canada."⁴³

The appeal of a European army embracing Germans both by protecting them and by restoring their dignity helped to disarm many popular objections to rearmament in the Federal Republic. As the first potential victim of a Soviet attack, West Germany had an inducement to remain neutral, a course urged in particular by the Social Democrats, fearful of militarization of their society and of a perpetual division of the land. Adenauer's role made the difference. He believed that "Stalin was planning the same procedure for western Germany as had been used in Korea."⁴⁴ What had been nervous glances at East German police forces a month before were transformed into nightmares of invasion by July. A divided Germany, with the preponderance of military power on the Communist side, could lead to an even greater disaster for the West in Europe than had occurred in Asia. Behind the 60,000 East German paramilitary troops stood 27 Soviet divisions in the eastern zone of Germany. By facing up to this challenge Adenauer felt that Germany would have an opportunity to purge itself of the taint of Nazism and to enter the company of civilized nations as a permanent part of the West.⁴⁵

Thus the French suggestion for the pooling of resources became the device by which Europe could prove its worthiness of U.S. aid. A European defense force would be a visible and effective demonstration of Europe's willingness to make its own contribution to the common defense. The United States pursued this opening even before it was genuinely visible, as the Administration talked about German military units being fitted into a European army under NATO command. There would be no immediate rearmament of Germans under this scheme, nor would German troops be subject to orders from Bonn.⁴⁶

Ambassador to London Lewis W. Douglas understood, however, that "... to plunge Germany into this matter too soon, before we have made our commitments and the French will to fight has been substantially encouraged, is hazardous business."⁴⁷ Ambassador David Bruce felt that the German position in a European army should be postponed until the United States had committed at least five divisions to the Continent.⁴⁸ Other diplomats in Europe were more enthusiastic as they saw the advantages of a strong European army as a restraint upon the Soviets and a way to give credibility to NATO's defense posture on the Continent.⁴⁹ In the euphoria over the apparent solution to a vexing problem, little attention was paid to Hervé Alphand's comment at the Deputies Council that no move should be made until the Schuman Plan* had been adopted and assimilated—an action that could take some time.⁵⁰

*The European Coal and Steel Community, established in May 1950, with France, West Germany, Italy, and the Benelux countries as members.

What propelled U.S. action more rapidly than some might have wished was congressional interest in and pressure for a German role in Europe.⁵¹ Congress—or at least a majority—never doubted that Germany was the key to the future of U.S. military assistance. While legislators pressed witnesses at the hearings on supplemental appropriations for details on how many troops the Allies would raise, how great the increase in their defense expenditures would be, and how much sovereignty they would relinquish in exchange for an effective integrated force, they themselves were most explicit in their comments on Germany. They also were more impatient with evasive responses on this issue than they were on others. To many Congressmen it seemed illogical to build a defense of Europe without incorporating a German component. It seemed to them unfair to all parties that U.S. equipment and manpower should protect German territory unless the Germans themselves shared in the common enterprise.

While Administration spokesmen sympathized with congressional sentiment, their awareness of Europe's ambivalent feelings on the subject resulted in opaque answers to direct questions. When Senator Kenneth S. Wherry asked Acheson how effective the rearming of France and other Western European nations would be if Germany remained unarmed, the Secretary of State responded that "a program for western Europe which does not include the productive resources of all the countries of western Europe, which includes western Germany as well as France, and includes the military power of all western Europe, which includes western Germany as well as France, will not be effective in the long-range political sense. Therefore we must include both."⁵² When Senator Homer Ferguson wanted to know specifically if Germany then was to be rearmed under NATO supervision, Acheson had to answer, "No." Germany was not included in the current NATO defense plans.⁵³ As the Secretary's unusually tortured prose suggests, he was uncomfortable with a position in which he had to admit that there was no genuine defense of Europe without German military assistance, but there was no immediate intention of bringing Germany into the defense program. If Secretary Johnson appeared to be more comfortable with this contradictory stance, it may have been because the contradictions were less evident to him than they were to Acheson.⁵⁴

The only way out of the dilemma of utilizing German manpower and resources without accepting a German national army or an independent rearmament effort was through a European force that would obviate a German general staff and that would be stiffened by a U.S. commander and larger numbers of U.S. and British troops in Europe.⁵⁵ Such steps would justify to the American and European peoples the massive efforts which the United States was willing to make and which it wanted the Allies to share.

The Administration made its decision by mid-August in favor of a European defense force to give credibility to the defense effort and to bring Germany into that effort. The solution contained many attractive features, of which German manpower and resources were only one. The new army could be used as a vehicle to reorganize NATO more effectively while it would also justify the dispatch of more U.S. troops to Europe. Europeans may not have been happy with the former, but they demanded the latter. Additionally, an American was to be designated as the new Commander-in-Chief of Allied Forces in Europe. Acheson and Johnson sent their recommendation to the President on 8 September that: (1) Four divisions be sent to Europe; (2) a European defense force be created as part of the Allied forces with a German compo-

nent of division size that would be incorporated into a multinational army at corps level; and (3) a new, more centralized Military Production and Supply Board be established.⁵⁶

It is noteworthy that the public announcement issued by the President on 9 September promised the Allies in explicit terms the U.S. troops they had been seeking: "I have today approved substantial increases in the strength of the United States forces to be stationed in Western Europe in the interest of the defense of that area. The extent of these increases and the timing thereof will be worked out with our North Atlantic Treaty partners." It is also noteworthy that the Presidential statement warned the partners: "A basic element in the implementation of this decision is the degree to which our friends match our actions in this regard."⁵⁷ Privately, the warnings were even more pointed. The JCS attached to its approval of new U.S. divisions in Europe a clear statement that immediate reciprocation on the part of the European beneficiaries was expected: "It is now squarely up to the European signatories to provide the balance of the forces required for the initial defense."⁵⁸ What "balance" meant was German forces. The meetings of the Foreign Ministers in New York the following week were to be the occasion for resolving all the details of both U.S. and German participation in the defense of Europe.

The "Bomb in the Waldorf"

The road to New York proved to be more difficult than any of the partners had anticipated. Before the diplomats had begun their sessions all the old doubts about Germany, the European-American relationship, and the burden of defense costs reasserted themselves. The initial fear of U.S. neglect had dissipated by September, and the sense of urgency in national responses had receded. Imminent disaster seemed no longer likely when the Soviet Union failed to take credit for the North Korean invasion and failed also to open a European front to accompany the action in Asia. U.S. troops, U.S. money, and U.S. supplies were still vital to Europeans; the need to revitalize defenses was not challenged. Nor was the importance of an integrated defense force at stake; it was a conception, after all, which the French had developed and had put into practice in the Schuman Plan. It was the translation of an idea into fact that made it appear for a time that the price of U.S. aid would be too high for Europeans to pay.

For the British, the reality of a European force implied a participation in the affairs of the Continent that they were not prepared to undertake, since it would also imply a diminution both of Commonwealth ties with their former empire and of the special relationship with the United States. Ambassador Douglas noted Britain's distaste for new political obligations to the Continent. In no circumstances did he foresee that Britain would yield its sovereignty to a continental association, not even for the common defense.⁵⁹ Behind this sentiment lay more than the closeness of Commonwealth or American connections; resentment over loss of former imperial status, over being treated like any other NATO member—"like Luxembourg"—moved the British leaders.⁶⁰

Even the Germans were uneasy despite the potential benefits the new defense force might bring them. They appeared to exploit this opportunity to impose concessions which their future partners and former enemies were

bound to resent. Adenauer not only demanded reinforcement of Allied troops in Germany but also insisted that they end their occupation role and grant full equality as a prerequisite to a German contribution to NATO.⁶¹

France was fully aware of these currents swirling around it—American insensitivity, British dislike of involvement, and German intention to bargain. Whether these factors chilled the warmer sentiments toward Germany flowing in the wake of the Korean conflict is moot. But would the French have accepted the resurrection of an armed independent Germany under any circumstance in 1950? Servan-Schreiber, who had spoiled the first anniversary of NATO with his impious reflections 6 months earlier, once again helped to focus French public attention on the problems of the Alliance. He urged a single armed force for a Europe which would include Germany with few reservations. He felt that no other response to the Soviet challenge was feasible. Premier Plevén's measures to increase France's arms budget were inadequate.⁶² On the other hand, Hubert Beuve-Meury, editor of the influential *Le Monde*, urged a neutralist course to spare France the psychic burden of a German army and the economic penalties of a massive armament program. Beuve-Meury evoked memories of two world wars when he asked whether a European army could hold fast at the Elbe, or even at the Rhine.⁶³

The question of German forces also proved to be an agonizing subject for Americans as well. The problem was not hesitation over the use of German troops. Rather, it was the other half of the equation—the U.S. contribution—that agitated American policymakers in the weeks before the meetings of the foreign ministers in New York. Differences between the Departments of State and Defense were apparent in almost every discussion of a new commitment of American troops and an American commander in Europe. For a time the German question threatened to damage collaboration between the two departments. The fact that much of the debate in Europe in late summer of 1950 turned on troops led Defense representatives, according to their State counterparts, to regard the issue as "purely military in nature," and thus show little disposition to relate it to U.S. foreign policy.⁶⁴ Although the President asked for and apparently achieved cooperation between the two Secretaries before making his announcement on the stationing of U.S. troops in Europe, the military delegates on interdepartmental committees continued to display resentment over the initiative State was taking in matters they considered to be within their domain. When Acheson dined with Johnson and Harriman aboard the *Sequoia* early in August, Johnson reportedly agreed with the Secretary of State that "we must now make up our mind to accept the responsibility of a unified command and of additional American forces in Europe." But Johnson's agreement was patently grudging and hedged by a complaint that "the General Staff" was opposed even though its chairman, General Bradley, could accept the policy.⁶⁵

The issue was not simply a matter of jurisdiction. The Defense Department, then bearing the brunt of war in Korea as Communist forces pushed United Nations troops into a corner of the peninsula, was naturally restive with outside proposals, which, if implemented, would drain manpower at a critical time. What Defense leaders wanted was a way out of their current plight, and the long-term program of European defense offered no solution to the immediate problems in Asia. Europe and its troubles were for many a gratuitous irritant. Secretary of the Navy Francis P. Matthews discharged some of these aggressions in a speech in early September, recommending "a war to

compel cooperation for peace," which left room for the employment of the atomic weapon against the Communist enemy.⁶⁶ Louis Johnson shared this sentiment as well as a profound distrust of the activities of the State Department. Both these factors may also have been involved in his removal on 12 September.⁶⁷

Defense-State differences had an immediate impact upon the nature of the conditions which the United States imposed on Europe in exchange for the enlargement of U.S. military forces there and for the appointment of an American as Allied Supreme Commander in Europe. Since the military, not the diplomatic establishment, would be most affected by yielding to the importunities of Europe, Defense insisted upon setting stringent terms for Europeans to meet, most importantly the presence of a German component in the new defense force as a first step in the process of rebuilding European strength. The United States would dispatch its troops only after the European army and its German units were established. This requirement took precedence over other vital issues such as ascertaining what Europe could produce and how financial contributions would be allocated. Although the inadequacies of the Military Production and Supply Board were glaring and serious, they were less important than the absence of a military contribution to the Alliance on the part of the West Germans. Such was the message of the Joint Chiefs of Staff.⁶⁸

This military position created enormous pressure within the councils of the Administration for "one package," in which aid to Europe would be inseparably intertwined with German troops. This order of priority was directly opposed to that of the French, who had signaled clearly by early September that their flexibility on the German question required time. No German force would be organized until all arrangements for safeguarding the Allies from possible future German militarism were completed. The French felt that the U.S. commitment would have to be consummated and prove effective before the European army, let alone German soldiers, could materialize. State Department representatives knew these feelings and were uncomfortable with the rigidity of the Defense posture. Foreign Minister Robert Schuman had specifically raised these points with Acheson on 12 September, and Acheson had agreed with him that a reasonable time must be allowed to elapse between the American reinforcement of troops in Europe and Europe's response through a European army.⁶⁹

Given these conflicting positions, a clash with the French was inevitable at the New York meetings of the North Atlantic Council unless one side was prepared to yield. But there was no way to conceal the problem; it was too important to omit from the agenda despite the forebodings of both Acheson and Schuman.

American pressures for a quick resolution of the German issue came from the State Department as well as from the Pentagon. Uncertain about Germany's interest in responding to a NATO invitation, U.S. diplomats in Bonn and London joined the chorus crying for an immediate role for Germany in Europe's defense. The Consultative Assembly of the Council of Europe, with Germany participating for the first time, called for a European army, which seemed to suggest support from most of the Allies abroad.⁷⁰ As to the French, Acheson recommended that they be told that the new unified force under a supreme commander and combined staff was a product of their ideas, and that in no circumstances would a German national army automatically follow.

Moreover, the French could also be assured that their proposal for more effective direction over the production and supply of military hardware would follow from the projected revamping of the MPSB. The Secretary of State urged Ambassador Bruce to take this tack in dealing with Schuman.⁷¹

These assurances were not enough to soften French opposition, and Acheson was sure from the beginning that they would fail, but he felt himself alone as he argued against the "package." To make the German question "the *sine qua non* of the rest seemed to me to be going about the project the hard way with a vengeance," he later observed. While he admitted the essential correctness of the Pentagon's strategic objectives, he sensed that the tactics were "murderous." And they were unnecessary as well. Once the centralized command was created, the "inevitable logic of mathematics" would render untenable any plan that omitted Germany.⁷² In losing his fight with colleagues outside the State Department, he blamed himself for the defeat. He did hold on at least until he recognized that the "one package" was the only means of winning the Pentagon's acceptance of a unified command.⁷³ Had he been able to hold on a little longer, the new Secretary of Defense, George C. Marshall, might have eased his burden by relaxing the demands for immediate German rearmament.⁷⁴

The upshot was the realization of the worst fears of both Schuman and Acheson in meetings of the foreign ministers in New York in mid-September. The United States was depicted as applying heavy-handed pressure by threatening to withhold troops and supplies; the French emerged as stubborn and vengeful; and the Alliance appeared to be splitting over the confrontation between the United States and France. And this was simply the surface. Preoccupied by the passions of the German question, Europe was just coming to grips with the cost of U.S. aid to the individual economies in inflation, scarcity of materials, and diversion of goods and services from the civilian market. Ultimately, the question of subordinating economic recovery to military exigencies created as many strains in the Alliance as the immediate question of German troops.⁷⁵

Despite the abundance of advance signals, the formal U.S. proposal of the quid of an integrated European army for the quo of U.S. military assistance, made on 12 September in preliminary meetings of the Big Three foreign ministers, earned the reputation of being "the bomb in the Waldorf."⁷⁶ While its impact was explosive, it was more a time bomb than a grenade lobbed into a startled assemblage of diplomats. It had been ticking for weeks, and all the parties concerned knew it existed. In every discussion U.S. representatives repeated a litany formulated to soothe French sensibilities, offering 10 German divisions as a greater security for France. They would not form an independent army, but would serve under the projected unified command. U.S. and British forces would be more firmly bound than ever to their continental allies.

The French refused to consider these comforting conclusions. They reacted to the proposal as if an American Cadmus was sowing dragons' teeth along the Rhine. Could a thin NATO frame contain Germans in uniform? French Minister of Defense Jules Moch, an implacable foe of German rearmament, left no room for doubt. While Schuman professed to be personally in favor of the U.S. plan, he cited Moch and President Vincent Auriol as blocks to France's approval. The trouble was not in the details of the German contribution; it lay in the very fact of an armed Germany. Moch admitted that Acheson was not seeking an autonomous German army, but he saw neither usefulness

nor protection in an integrated arrangement. It reminded him of Marshal Foch's authority, or rather the limitations on Foch's authority, in World War I. In effect, the end product would be a national army, as the American Expeditionary Force had been, and this solution, according to Moch, was wholly unacceptable to a body of Frenchmen much wider than his Socialist constituency.⁷⁷

Schuman couched France's case before the North Atlantic Council more diplomatically. The French Foreign Minister then laid down the conditions to be met before France could accept the inclusion of German units in a European army: (1) Integration had to be a fact, not just an idea; (2) all arms increases planned for European defense had to be completed; and (3) the exact number of troops which the United States intended to send to NATO had to be fixed.⁷⁸ In a moving appeal to his allies, he asked only that they understand France's problem, not that they renounce their intention to bring Germany into the NATO defense network. "What I cannot do, what my government cannot do, at the present time and under the present circumstances, is to reach a premature decision on this problem. Such a decision might, besides, be fatal if it were to become known."⁷⁹

In effect, this response nullified every possibility of achieving a German contribution in the near future since two of the French conditions could not be fulfilled quickly. Delay was probably the French aim. But even delay did not raise their spirits. In French eyes mere talk of arming the West Germans had damaged their diplomatic position in Europe. On the one hand, it had aroused Soviet resentment to the point where the Soviets felt the need of strengthening the East German regime with sham elections; on the other hand, it had increased to an uncomfortable extent the bargaining power of the Federal Republic in negotiations over the Schuman Plan.⁸⁰

There was a week's recess while the delegates awaited instructions.

Acheson had anticipated the French action and worried over its consequences for the Alliance before the ministers had gathered. What surprised him at this juncture was the Allies' endorsement of the Pentagon's hard line. Although they had misgivings over NATO placing itself "in the position of approaching the West Germans as a suppliant," as Bevin had warned, they saw no alternative. The Netherlands Foreign Minister, Dirk Stikker, agreed with Bevin, and added that "in spite of the atrocities inflicted by Germany on the Netherlands, some 80 percent of the Dutch Parliament would probably accept the proposals made the day before by the United States."⁸¹

After consulting with Lester Pearson of Canada and Halvord Lange of Norway, Stikker then took the initiative, when the meetings resumed, to press for immediate action on Germany. His two colleagues concurred, with the reservation that no steps be taken until the Big Three had been informed. Actually, Stikker enjoyed Acheson's informal approval in developing a thesis around a "forward strategy" for NATO in which Germany would participate "in the proper way and at the proper time."⁸² The French veto stuck, at least in September 1950. Still, the communique marking the conclusion of the New York meetings reflected the enormous pressures exerted against the French-inspired stalemate. NATO formally endorsed the defense of Europe as far east as possible and proclaimed that it would examine "the methods by which Germany could most usefully make its contribution."⁸³

6. MUTUAL SECURITY PROGRAM — SUMMARY OF STATUS OF FUNDS 1948 — 1953

(Includes funds authorized and appropriated through Mutual Security Acts of 1951 and amendments and funds. Also includes Point 4 as authorized in the Mutual Security Act of 1951 as amended, but excludes funds obligated in fiscal year 1951 under the Act for International Development; also excludes funds available for investment guaranty program.)

[In millions of dollars]

	Executive branch authori- zation request	Authori- zation by Congress	Executive branch appropri- ation request	Appropri- ations adjusted for transfers and reim- bursements	Total available for obli- gation and reservation	Obliga- tions and reserva- tions	Total unobli- gated and unreserved balance	Unobligated and unre- served balance available in subsequent year	Unobligated and unre- served balance returned or reserved for return to Treasury	Expendi- tures	Unex- pended balance
1948-49											
Economic Assistance	8,499.0	7,892.0	6,837.0	6,386.8	6,386.8	6,286.3	100.5	100.5	-----	4,549.6	1,837.2
1950:											
Military assistance	1,400.0	1,314.0	1,314.0	1,314.1	1,314.1	1,100.9	213.2	213.2	-----	51.7	1,262.4
Economic assistance	4,356.0	4,356.0	4,198.2	3,859.1	3,959.6	3,596.9	362.7	362.7	-----	3,437.2	2,259.1
Total 1950	5,756.0	5,670.0	5,512.2	5,173.2	5,273.7	4,697.8	575.9	575.9	-----	3,488.2	3,521.5
1951:											
Military assistance	5,222.5	5,222.5	5,178.0	5,223.4	5,436.6	4,676.9	759.7	759.7	-----	934.2	5,551.6
Economic assistance	2,950.0	2,700.0	2,657.7	2,136.0	2,498.7	2,385.1	113.6	113.6	-----	2,802.2	1,592.9
Total 1951	8,172.5	7,922.5	7,835.7	7,359.4	7,935.3	7,062.0	873.3	873.3	-----	3,736.4	7,144.5
1952:											
Military assistance	6,303.0	5,997.7	6,042.1	5,267.6	6,027.3	5,591.2	436.1	436.1	-----	2,385.9	8,433.3
Economic assistance	2,197.0	1,585.7	1,485.4	2,015.1	2,128.7	1,962.8	165.9	165.9	-----	2,147.8	1,460.2
Total 1952	8,500.0	7,583.4	7,527.5	7,282.7	8,156.0	7,554.0	602.0	602.0	-----	4,533.7	9,893.5
1953:											
Military assistance	5,425.0	4,598.4	4,598.4	4,098.1	4,534.2	2,512.1	2,022.1	1,905.9	-116.2	3,953.1	8,462.1
Economic assistance	2,475.0	1,894.3	1,894.3	1,914.1	2,080.0	1,864.1	215.9	210.4	-5.5	1,766.6	1,602.2
Total 1953	7,900.0	6,492.7	6,492.7	6,012.2	6,614.2	4,376.2	2,238.0	2,116.3	-121.7	5,719.7	10,064.3

Source: Senate Committee on Foreign Relations, *Mutual Security for Fiscal Years 1948 to 1949*, 85th Congress, 2d session, p. 2.

The Widened Scope of NATO

The final communique also recognized potential new boundaries for NATO, even if indirectly. If a new army were to be raised, it had to have a base from which to operate. This consideration ultimately involved land as far removed from the NATO European matrix as Indochina. Whatever displeasure State and Defense officials may have expressed from time to time with France's behavior in Southeast Asia, there was a general assumption in Washington that there could be no NATO military force in Europe without French territory and French manpower. Ever since 1945 much of the French military had been sucked into the Indochinese peninsula as France labored to reassert its sovereignty in a land agitated by nationalism and communism. It had been an expensive and exhausting effort which evoked very mixed emotions from U. S. observers before 1950. While the French in Indochina had been beneficiaries of MDAP under Title III, "the general area of China," this assistance was tangential to the U.S. purpose and came despite American impatience with France's sluggishness in responding to Indochinese nationalism. The transfer of China's allocation to Indochina in 1950 was more an emotional reaction of Congress to Chiang's failure than a reasoned riposte to new Communist threats.⁸⁴

The crisis in Korea drastically changed U.S. perceptions of the role of Indochina in the war against communism. Before this time it had been at least theoretically possible that the United States would not act on the information transmitted to the Pentagon, in April 1950, that the French military position would collapse without increased U.S. aid.⁸⁵ If there should be action, it would be conditional upon greater French efforts to appease nationalist sentiment in French Indochina by granting a credible earnest of a commitment toward eventual independence. Until June the French received little encouragement for their argument that France's duty in Asia would restrict its service to NATO unless the economic burden imposed by the presence of its army in Indochina was eased by the infusion of substantial U.S. funds. Unimpressed by these pleas, the United States had put off French requests on the ground that no agreement had been reached between the French and the Vietnamese on the latter's official status, and later, after an agreement had been ratified, only \$15 million of the \$75 million authorized under Section 303 of Public Law 329 was made available to France.⁸⁶ U.S. reluctance to grant French requests was partly political in origin. Defense planners feared that the Indochinese would regard any assistance given through France as evidence of U.S. support of colonialism. Their relative indifference was due also to a belief that France in Indochina was basically caught up in a minor guerrilla action, unconnected with a Communist plan for world domination.⁸⁷ And the consensus among U.S. military observers was that the French military had mishandled their problem.⁸⁸

After 25 June Indochina and Korea were linked as vulnerable Asian peninsulas and "holding the line" in Southeast Asia became a basic proposition of U.S. politico-military thinking.⁸⁹ Congress demonstrated its support of this principle by allotting \$303 million of the \$4 billion supplemental appropriations to this area, over \$100 million more than the Title II countries were to receive. Moreover, the difficult military situation in which the French found themselves assured them of JCS priority for shipment of supplies.⁹⁰

At the very time that French intransigence in Europe was exasperating their NATO allies and inviting U.S. retaliation, the new linkage between Indochina and Korea was reducing France's vulnerability to pressure. Southeast Asia had become, in effect, an element in the "one package," increasing France's bargaining power at a critical moment. Acheson made the point to the Senate Committee on Appropriations just 2 weeks before the North Atlantic Council was to meet in New York: "As soon as Viet-Nam can defend itself, just that soon can the French be relieved of the very heavy budgetary drain on them occasioned by the large forces they now must maintain there and reduce the loss of commissioned and noncommissioned officers who are absolutely irreplaceable at the present time."⁹¹

Greece and Turkey were more closely connected to Western Europe and hence the subject of more specific discussion by the NATO allies. Veterans of the Cold War, the beleaguered Greeks and Turks had been applying for involvement with NATO ever since the North Atlantic Treaty was framed. If the defense of Europe required German manpower, resources, and land, then it could also make use of Balkan forces and lands to establish a southeastern flank that could have a deterrent effect upon Soviet military plans.⁹² Before the Korean War, however, Greece and Turkey had been scheduled to receive only about one half the amount allotted to them for the fiscal year 1950 program. These reductions reflected apparent successes in suppressing guerrilla activities in Greece and in developing internal security. "The tide of Communist aggression has been stopped in Greece," announced Secretary Acheson in early June; "Turkey stands as a rock against the Communist tide."⁹³

While Acheson's serenity was obviously shattered by the events in Korea later that month, Greek and Turkish alarm was understandably greater. Because the two countries testified to the efficacy of U.S. aid and to the ability of recipient nations to stand up to Communist pressure, they expected U.S. support for their requests. Turkey's dispatch of 4,500 troops to Korea created another claim upon U.S. support.⁹⁴ The initiative for a new contract, however, came from Greece and Turkey rather than from the United States. They felt a need for a formal link with the Alliance in place of the bilateral understandings with Great Britain and the United States. Without a full and binding commitment from the West they feared they would go the way of Korea. For the most part they were repeating pre-Korean arguments, but their appeals were sharper and more pressing in the summer of 1950 than they had been earlier.⁹⁵

U.S. reaction was ambiguous. Both State and Defense representatives in Greece found merit in Greece's application for membership in NATO. The Greeks had proved their worth in combat and would strengthen the fighting forces of NATO. Perhaps their presence in the Alliance would deter the Soviet Union from initiating in the Balkans another limited war as in Korea. The State Department passed on a specific request from Turkey to the Secretary of Defense, who in turn asked for the opinions of the military departments as well as those of the Joint Chiefs.⁹⁶ The former were unconditionally opposed to the idea of bringing Greece and Turkey into NATO. The admission of the two Balkan countries would complicate intricate organizational arrangements, and in addition they were considered notoriously hard bargainers who would make difficult partners. For these two reasons the Service Secretaries suggested a unilateral commitment guaranteeing Greece and Turkey against attack rather than NATO status of any kind.⁹⁷ The JCS disagreed with the Secretaries' views on the ground that a unilateral promise might involve U.S. obligations similar

to those in Korea. The Joint Chiefs thought it might also inspire other Middle Eastern states to demand the same treatment. They held with the State Department against any formal invitation until NATO had grown stronger. In the meantime Greece and Turkey should be given assurance that any aggression against them would result in a general war, and that the status of associate would be awarded them as a first step toward eventual full membership in NATO.⁹⁸

JCS views prevailed at the New York meetings of the North Atlantic Council. Despite the disappointment of the Turks, who had made it clear that they wanted full membership immediately, the NATO powers decided to offer Greece and Turkey only association with those phases of NATO planning that concerned the defense of the Mediterranean.⁹⁹

While the roles of Greece and Turkey were at all times legitimate subjects for NATO discussion, it was the Korean crisis that moved them into this new relationship with NATO in September 1950. Granted that U.S. planners had studied the problem from many angles, the overriding consideration was the need for immediate action, either unilaterally or multilaterally, which meant that other important factors tended to be neglected. For example, problems arising from the diverse geographical locations of its members had already plagued the Alliance, and the addition of the Balkan region presented new strategic and tactical questions to be resolved. It was certainly no coincidence that Italy, a Mediterranean state, was the warmest supporter of Turkish membership.¹⁰⁰ Nor was it a surprise that the British, who regarded Turkey less as part of Western European defense than as a keystone of the defense of the Middle East, felt that their position received little of the attention that it merited.¹⁰¹

Two countries contiguous to NATO territories, Spain and Yugoslavia, were also affected by the new scope of the Alliance despite the fact that the former's government was Fascist and the latter's Communist. Long before the outbreak of hostilities in Korea, each of these countries had been the object of a thorough JCS examination with respect to its potential contribution to the defense of Europe.¹⁰² Spain attracted particular attention because of its strategic location between Portugal and France at the entrance of the Mediterranean Sea. Although political considerations, both domestic and foreign, prevented the realization of any military program, the United States as early as January 1950 had been willing to vote for a resolution in the General Assembly which would allow members of the United Nations to send ambassadors to Spain if they so chose; and in the face of French and British objections the U.S. view prevailed.¹⁰³

Events in Korea contributed to this reversal of United Nations policy just as they had facilitated the McCarran rider to the General Appropriation Act of 1950, directing the President to lend up to \$62.5 million in economic aid to Spain.¹⁰⁴ Of all the NATO powers, only Portugal expressed openly a desire to give Spain the role of an associate in the Alliance and thus place it in the category of Greece and Turkey.¹⁰⁵ No other ally would go that far in the fall of 1950, but the decision late in 1950 that a new U.S. Ambassador would be sent to Spain was a sign that closer relations between Spain and the West were in the offing. Similarly, the imperatives of the Cold War and the Korean conflict increased the warmth of U.S. feelings toward Yugoslavia, though neither alliance nor formal association was seriously considered. U.S. aid to Yugoslavia during

the critical food shortage of the winter of 1950 reflected the new importance attributed to Tito's resistance to Soviet pressure.¹⁰⁶

Reassessment of the Medium Term Defense Plan

What gave a special urgency to the NATO response to Korea in the summer of 1950 was the common recognition that the Medium Term Defense Plan was now inadequate, and all conventional efforts to raise the level of defense expenditures among the Allies would be equally inadequate. If Europe could have raised new armies and manufactured new weapons in quantities sufficient to meet the greater requirements for security, there would have been no need for the frantic attempts to rearm Germany or to extend the boundaries of NATO. In a moment of depression, Dirk Stikker felt that failure to make sufficient sacrifices for defense signaled the death of the Brussels Pact and dictated the immediate entry of Germany to compensate for this lack.¹⁰⁷ But Europe had to make the effort or it would jeopardize America's willingness to increase its aid.

The leading officials perceived the problem, at least in part, to be Europe's confidence that the United States would protect the Continent regardless of Europe's own insufficient measures. Charles M. Spofford, Chairman of the new Deputies Council, urged that additional funds under Title I be granted only after the beneficiaries had demonstrated that there was no weakening in their own resolve to defend themselves. Although Acheson believed that it would be unwise to write such restrictions into the supplemental legislation, he observed that the Ellender Amendment, requiring the President to terminate aid to any country not making a full contribution to the common defense, would serve as an appropriate warning to the Allies.¹⁰⁸ The Secretary earlier had made a point of asking for the "firmest possible statement from European countries . . . of nature and extent of increased effort" as a means of winning congressional support for increased appropriations.¹⁰⁹

The NATO allies understood well that they would have to give evidence of sacrifice to justify the U.S. commitment. In response to Acheson's query, one ally after another announced plans during the summer of 1950 for increasing forces and arms and for making generally greater sacrifices than had been thought possible earlier. On 3 August the United Kingdom outlined a new 3-year program which would increase its total defense expenditures from 8 to 10 percent of the national income. The British effort would total \$9.5 billion, an increase of 40 percent over current expenditures. Less than a month later the British Government announced that conscription would be extended from 18 months to 2 years. Not to be outdone, France presented on 7 August a 3-year program which would increase its defense budget approximately 18 percent over that of 1950; by the end of the 3-year period it expected to add 15 divisions to the 5 it already had in Europe. In the same spirit the smaller NATO powers pledged their cooperation, with Belgium proposing a 55 percent increase in its military expenditures for 1951 by allocating an additional \$100 million to defense, and Denmark planning to spend \$43 million within the next 2 years.¹¹⁰

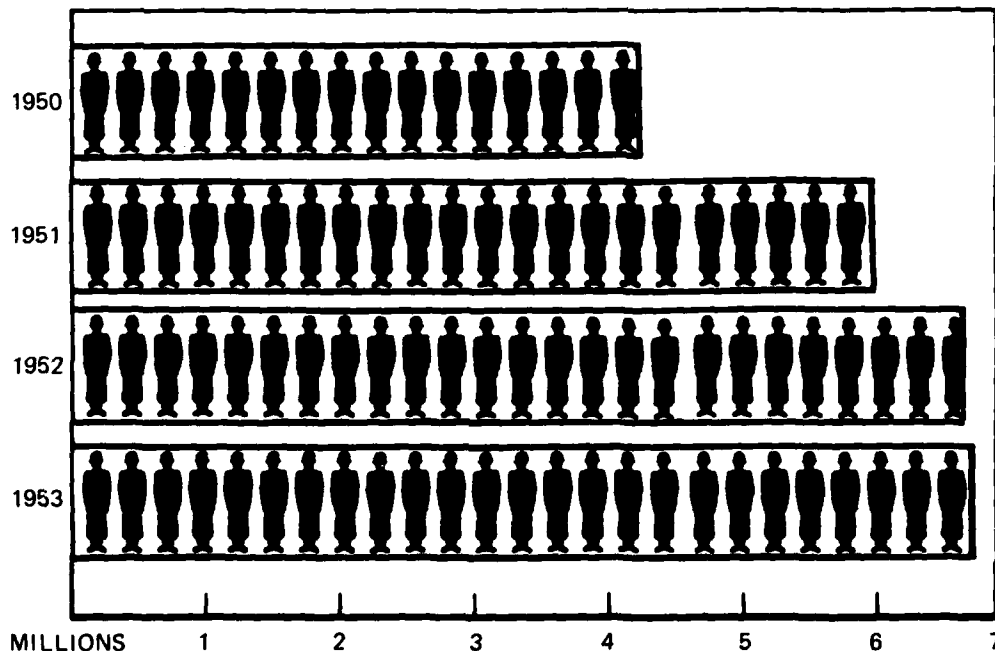
But even with this summer burst of energy, the total manpower provided by Europe totaled only about 30 divisions, less than expected from the spring estimates of the 1954 Medium Term Defense Plan and half the number necessary to hold back invaders.¹¹¹ The United States had never been satisfied

with the proposition that a country like France, which in 1940 fielded 100 divisions, could raise only a small fraction of that number a decade later. Nor was it satisfied with the circumstances which found the European partners devoting a much smaller share of their national income to defense needs than the trans-Atlantic partner.¹¹² Given the expectation that the annual gross national product of the European allies would rise from \$88 to \$100 billion over the next 3 years, the additional effort, Spofford observed, would amount to only 4 percent of the total.¹¹³

In the rapid calculations that followed the Korean crisis, it was estimated that NATO powers (and Greece, Turkey, and Iran) together would have to spend \$20 billion in order to be prepared for an attack by 1954. And 1954 was no longer an acceptable date for preparedness. With the United States agreeing to absorb three-fifths of this amount, or \$12 billion, the MDAP planners figured that the U.S. share would be \$4 billion for each of the 3 years.¹¹⁴ But this plan meant that Europe had to come up with \$8 billion over the same period, and nothing in official pronouncements of the Allies suggested that they would meet this figure.

Reasons for pessimism were obvious enough. To make a serious attempt to conform to the U.S. projection required the subordination of economic to military production in each of the economies, which meant an explicit reversal of the original priority of economic recovery over a military buildup.¹¹⁵ For

7. TOTAL ARMED FORCES OF NATO COUNTRIES, 1950 - 1953



Source: Lord Ismay, *Secretary General of NATO*
 NATO. *THE FIRST FIVE YEARS, 1949-1954*, p. 137.

most of Europe this obligation was politically difficult, if not impossible. It could lead not only to undoing all the benefits of the Marshall Plan but also to reviving the internal Communist danger as the local Communist parties played on popular discontent. If the United States were to pry loose from Europe more funds for armament, it first had to take another look at the additional military production program designed to promote the manufacture of weapons and supplies in European factories. Prior to this time, Congress had looked suspiciously on this program because of the threat it might create for American industry. But the exigency of the new crisis required that much of the additional Title I monies be used to secure materials for manufacture in Europe.¹¹⁶

Rather than welcoming the arrival of fresh capital and raw materials as a boon to future European industry, Europeans feared the program's effect on the civilian economy. How would it affect their recently achieved and still precarious economic recovery? U.S. planners asked the same questions. Harriman was concerned that it would endanger recovery and spoke of reevaluating plans to terminate the ECA in 1952 after listening to Secretary Johnson's view that \$5 billion should be advanced to finance manufacture abroad of military equipment.¹¹⁷ Acheson in this instance sided with Johnson when he admitted to diplomatic officials that military production would also slow the pace of the West European economies. Recovery would be "less rapid," as he euphemistically phrased it. An extension of the ECA beyond 1952 might take care of many of these concerns. The priority at the moment was a crash program, even if it involved disregarding normal financial criteria. The program itself would strain the limits of trained manpower.¹¹⁸

There were other limitations on Europe's ability to raise its budgets. Earlier, apparently some time before the Korean War began, the U.S. military departments had estimated that in the event of full mobilization the United States would require for itself, in fiscal year 1950, 100.4 percent of the country's available supply of aluminum, 154.1 percent in fiscal year 1951, and 139.8 percent in fiscal year 1952.¹¹⁹ The impact of an inflationary spiral caused by competition for scarce materials could contribute to the slowing of recovery. The dollar shortage among Europeans, which had never been settled despite the help of the ECA, immediately worsened. All the Allies found themselves within a very limited time competing with one another as well as with the United States for the short supply of raw materials necessary to the defense industries instead of concentrating on dollar-producing manufactures for the civilian economies. Rearmament meant that Europe would be curbing its earning power at the same time it had to spend an exorbitant number of dollars to buy materials for defense.

In light of this situation, the problem of accelerating the rate and increasing the amount of Allies' contribution to Western defense could not be left to their own individual estimates of their capacities for sacrifice, generous though some of the estimates may have been. A way had to be found to show that Europeans were not relaxing their efforts in the expectation that the United States would make up all deficiencies. Congress demanded nothing less. But a way also had to be found to show that they were fiscally unable to deliver the necessary increases in defense production unless they knew exactly what help the United States intended to provide them.¹²⁰

This task fell for the most part to the newly created Council of Deputies. From the time of its first meeting on 25 July it began consideration of a variety of possible solutions. First among the measures proposed was the High Priority

Production Program, comprising a series of actions to initiate production on certain critical items—tactical aircraft, antiaircraft equipment, antitank weapons, tanks, mines, escort vessels, and field artillery—that would be needed no matter what form the revised defense plan took. This program started with an estimate by the Standing Group of additional quantities of highest priority equipment, followed by reports from the MPSB and the DFEC on which countries had the capabilities to produce these various items and which method would be most suitable for utilizing the funds to be made available by the NATO countries. Finally, a working group immediately responsible to the Deputies would assist member nations to solve specific problems and in general coordinate their work.¹²¹ The foregoing plans represented a short-range policy designed to find out what might be expected by July 1951, and the Deputies requested their respective governments to take the necessary steps to begin the High Priority Production Program before the September meetings of the Council.¹²²

At the same time, the Military Production and Supply Board, meeting in July at Copenhagen, directed its permanent staff to set up end item task forces to find ways of increasing available supplies over the long term. Nine in number, these task forces dealt with artillery, ammunition, engineering equipment, combat vehicles, small arms and small arms ammunition, transport vehicles, shipbuilding, electronics, and combat aircraft. The task forces were all activated in London between 23 August and 18 September, and it was hoped that the entire pace of rearmament would be accelerated as each solved its assigned problems.¹²³

Despite the pressure of events, the same bottlenecks that had inhibited progress in the spring effectively blocked the work of the experts on both the High Priority Program and the end-item task forces. Still unknown were the actual capabilities of each ally in skilled manpower, plant capacity, and technical know-how. Realistic figures on national deficiencies, proportions which each government would provide from its national resources, and kinds of weapons and equipment that NATO forces would need were all lacking. Absence of this vital information also handicapped the ad hoc group organized after a special meeting in June prior to the Korean crisis and composed of Hubert Howard, W. Averell Harriman, and General Bradley, representing respectively the MPSB, the DFEC, and the Standing Group. It began work in August to resolve the confusion over zones of responsibility within NATO by investigating jointly the magnitude of the task and by preparing an international pricing formula acceptable to all members of the Alliance.¹²⁴

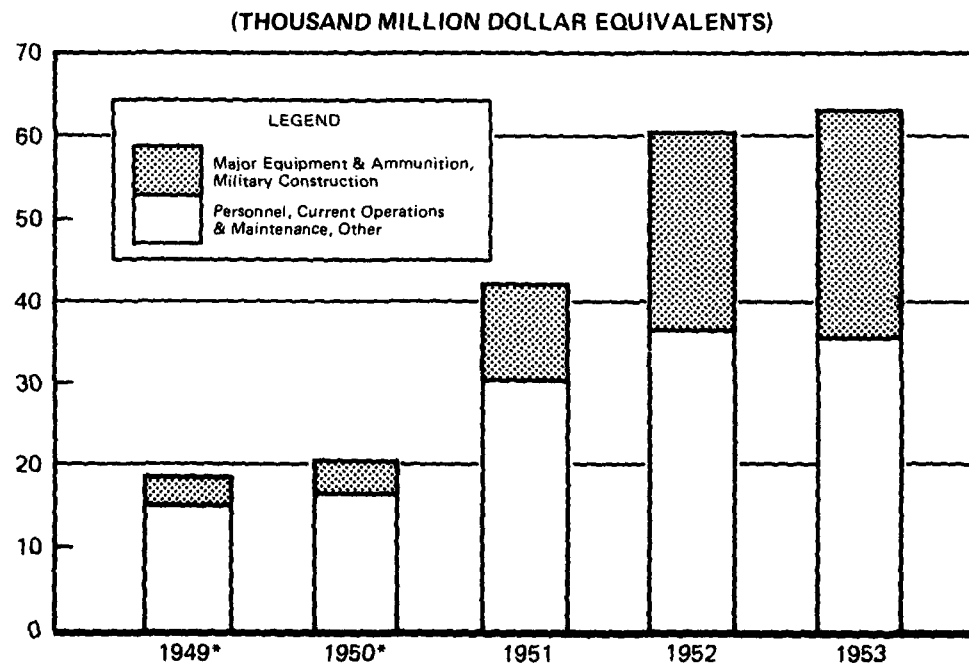
Nevertheless, the DFEC encouraged programs such as that for high priority production even though no assurance about financial arrangements could be given and even though the many disabilities under which they operated might make their findings unreliable. The Ad Hoc Costing Group produced a set of figures for submission at the September meetings of the NATO Council only a month after it first convened, but the results were so incomplete and distorted that they could not be used to help revise the MTDP.¹²⁵

But end items and new production of even the highest priority had to share attention with the worsening financial plight of the NATO allies in the face of the Korean War inflation. While the bulk of discussion in the DFEC concerned the respective merits of a common pool or a central fund or the use of the newly established European Payments Union as the means for transferring military

equipment from one ally to another, the question of inflation took the stage away from other aspects of the problem of defending Western Europe. As early as July the Deputies had turned to this problem, which increased in urgency before the September meetings. They had been directed to study the effect both of shortages of materials and of the rising prices of materials upon the production program in Europe. Little action resulted. British representatives held informal talks with State Department officials in September, and the Deputies received further instructions at the Council meetings in New York. Britain preferred to set up ad hoc committees to deal with specific materials such as wool, while the United States wanted an Economic Mobilization Board under NATO auspices to provide central control procedures. (France's position was close to that of the United States.)¹²⁶ The issue still was not settled by December when the North Atlantic Council met at Brussels. In the meantime, the United States, Great Britain, and France continued to go their separate ways on the matter of allocating raw materials. Inflation remained a sore point among the Allies.

At first glance, the Korean War failed to jar NATO from the lethargy of the spring. Europe's relief over U.S. assurance that the Asian conflict would not

8. TOTAL DEFENSE EXPENDITURES OF NATO COUNTRIES, 1949-1953



* BREAKDOWN ESTIMATED FROM DATA COVERING JULY 1949 to JUNE 1950.

Source: Lord Ismay, Secretary General of NATO
 NATO: THE FIRST FIVE YEARS, 1949-1954, p. 110.

cause it to neglect NATO was deep and genuine. But the commitment of \$4 billion of military assistance did not have quite the effect intended. On the one hand, it permitted a relaxation of tension in Europe which was translated into a relaxation of defense efforts. The strong U.S. response had made it clear that the Soviet Union would not use the same methods in East Germany as in North Korea. For the moment Europe was spared, and if a new crisis arose, the United States could be counted on to stand up for the Alliance. The United States found this attitude intolerable. On the other hand, increased U.S. aid to Europe made demands upon the Allies which seemed equally intolerable to them at the time. The "one package" mentality of the Americans in New York involved a German troop contingency which the French were not prepared to accept, a diversion of production from economic to military purposes which could bring on inflation and economic hardship despite the Additional Military Program, and pressures for allocating national defense resources which were an affront to the various national sovereignties. Most of these problems manifested themselves at the New York meeting of the NATO council.

These conflicts tended to obscure the fact that the European countries were taking more than token action when they lengthened their periods of military service, expanded the size of their armies, and raised the level of their military expenditures. These steps may have been insufficient, but they were definite and quantifiable. Similarly, the necessary long leadtime between authorization and appropriation of military assistance funds and between obligation of funds and delivery of end items became shorter as the program advanced. While the figures in the official U.S. reports over-accentuated the positive side, they revealed that on 31 March 1950 total obligations were just under \$42 million (less than 3 percent of the total appropriations for fiscal year 1950); they increased to \$1 billion by 30 June and to \$1.9 billion by 1 October. Deliveries were less impressive, many of them transferred from U.S. stocks already on hand in Europe.¹²⁷ And while the Additional Military Program was recognized as disappointing, the fact that such a program did exist was an advance over the thinking of Congress about the nature of military assistance in 1949.¹²⁸ The bulk of new monies would be used to expand production in Europe itself rather than draw upon American production.

Despite all their hesitations and resentments, the NATO allies responded to the increased pace of U.S. activity. The issue was not just a matter of military assistance and the price to be paid for it; the central element in defense was the continuing presence of the United States in the Alliance. This consideration overrode every caveat any of the Allies may have had either about the direction of the war in Korea or the redirection of NATO in Europe. Once the panic of June had subsided, the vast military program launched in the summer of 1948 was seen to possess more drawbacks than advantages: It could set back economic recovery and revive neutralism, and most important, the security it was to buy lay in a too distant future. But these debits would be worth the risk if they resulted in a tighter alliance. The deterrent value of America in the Alliance remained a governing factor in the behavior of the European allies.

It is true that nothing seemed to have been resolved as the New York meetings adjourned in September. The questions about Germany, costing procedures, allocation of raw materials, and pooling of resources remained unsettled. The Defense Department and the Joint Chiefs of Staff, speaking for the United States, were intransigent. Yet the sense of Soviet danger was too real for Europeans or Americans to permit NATO to dissolve, and the U.S.

pressure for a European response was too strong to be thwarted. Many of the foregoing questions were resolved before the year was over, even though the answers sometimes raised new questions which were as difficult to resolve as the old ones.

CHAPTER VIII

From New York to Brussels September–December 1950

The Pleven Plan

On the surface nothing seemed to have gone right in New York. The German problem became a "bombshell"; the French delegation clashed repeatedly with all its allies; the Defense Department's linkage of U.S. troops and an American commander with a specific German contribution displayed U.S. power in an arrogant posture; and the sluggish response of Europe to the imperatives of the MTDP contrasted sharply with the strident clamor for U.S. support. The fact that the meeting had to be recessed in the middle of negotiations suggests the dimensions of the disarray.

Of all the impasses confronting the conferees in New York, the potential role of Germany in Western defense was the most immediate and the most intractable. It had aroused French emotions to a high pitch, which in turn revived American suspicions of French good faith and French reliability. Within the Administration, the Defense representatives were determined to prevent the French from obstructing plans to utilize German manpower and resources in the common rearmament effort. The future of NATO seemed to depend upon the realization of this intention.

But even as the sessions concluded, signs of change were visible. The resignation of Secretary of Defense Johnson on 12 September, on the eve of the NATO Council meeting, presaged important shifts of sentiment within the Defense Department. A new atmosphere, promising greater harmony between State and Defense, developed from the close friendly relationship between Acheson and the new Secretary of Defense, George C. Marshall. Acheson now had an opportunity to present a more flexible response to France's concerns.¹ Specifically, Acheson could promise the French that German participation in a European army could follow rather than precede the creation of a unified command. By establishing a firm military structure in Europe, with its large United States component, the French would have time, according to the Secretary of State, to become accustomed to the idea of German troops as a part of the organization. Acheson even believed that Marshall had won over Moch to this arrangement.² After consulting with the Chairman of the JCS, Marshall agreed to ask the Standing Group to make recommendations for creating an integrated

force without specific reference to the Federal Republic. Its role was identified, but the plan to be developed was "not to be contingent on German participation but adaptable to her inclusion."³

The softening of the U.S. stance seemed to have an effect on the French. Schuman, in particular, emphasized that he did not care to have France "dragged along," and expressed the hope that a postponement of the next meeting of the Defense Committee, from 16 to 28 October, would leave him and his colleagues sufficient time to lobby for concessions from the French National Assembly.⁴ That France was to benefit immediately from U.S. military aid was, in itself, an invitation to exert pressure as long as it was done subtly, with full recognition of France's delicate sensibilities. It was Marshall's hope that the proposal for German troops, so frightening to the French in the fall, might be less threatening by spring.⁵

As a consequence of these deliberations, the United States was prepared by the middle of October to recommend that NATO appoint a Supreme Allied Commander who would help shape plans for a European force. Accompanied by a staff, the Supreme Commander would make his headquarters in Europe. He would have the authority to designate what forces each nation would place under his command. The JCS recommended that the European force ultimately include German troops, but, if there were a deadlock, the Joint Chiefs proposed that West German battalions be attached to U.S. units in Germany as an intermediate step. The JCS even projected the establishment of divisions with the understanding that all such measures would be preliminary to incorporation into the new European army. A Military Assistance Advisory Group, comparable to those in Allied countries, was envisaged, with Germans submitting their deficiency requirements.⁶ Although the State Department was more cautious about details of the German role, the message to the French was clear. The United States had revised its position but had not surrendered its basic demand with respect to Germany.⁷

Given these incentives, Moch appeared increasingly isolated as French Cabinet ministers, including Pleven and René Mayer, Minister of Justice, sought ways to cope with American pressures. Bohlen, Chargé d'Affaires in Paris, reported discussions among French leaders about solving the German problem by applying the Schuman Plan model when the Schuman Plan itself went into operation.⁸ The initial American reaction to this connection with the Schuman Plan was negative since it looked like another excuse for delaying action.⁹ Nonetheless, when the French finally unveiled the Pleven Plan* on 24 October, 4 days before the meeting of the NATO Defense Committee, it contained the same superficially attractive qualities which had graced the plan for a coal and steel community. Its principal feature was the establishment of a European army of 100,000 (in line with the proposals made at the Consultative Assembly of the Council of Europe in Paris 2 months earlier), composed of units from all participating nations, including the Federal Republic of Germany. These units were to be incorporated at the lowest possible level under a Supreme Commander with authority over both the European army and the national forces of the NATO allies. Additionally, the European army would be responsible to a European Defense Minister.¹⁰ In this way Jean Monnet†

*Named for Premier Pleven, but, like the Schuman Plan, the product of Jean Monnet.

†Jean Monnet was the originator of the Schuman and Pleven Plans as well as the prime French architect of European unity.

sought to end NATO displeasure with France with one master stroke. What satisfied the French about the Pleven Plan was not the assurance that German rearmament would be rigidly controlled, but the fact that arming German battalions had been delayed without antagonizing the United States.¹¹

The French National Assembly applauded the decision. American applause was more subdued—barely a murmur of appreciation for the French initiative. Privately, U.S. diplomats were dismayed. They felt the French had floated a scheme that was sure to antagonize the Germans but which would do little for Europe's defense in the immediate future.¹² Despite the bold language of the proposal, its meaning was obscure, probably deliberately so. What the French meant by the lowest possible unit, how many German troops would be permitted, and the extent of the powers of the European Minister of Defense all required clarification.

Such clarification as the French were willing to make only served to confirm the worst U.S. suspicions. While Moch anticipated immediate action on the appointment of a Supreme Allied Commander and a full flow of U.S. military assistance, his responses to inquiries about the Pleven Plan indicated that the German units would be no larger than battalion size and that they would appear on the scene only after all the terms of the Schuman Plan had been fulfilled, "perhaps in 1951." It became quickly evident that the proposed European Defense Minister would be responsible to the European Assembly, but it was not so evident what relationship he would have with the Supreme Allied Commander. Although the Minister would speak for all Europe, he would presumably be French and could be used as a vehicle by which France could both postpone its painful obligations with respect to Germany and renew its pressure for a common defense budget. The one clear message from France's initial comments on the plan was the second-class citizenship accorded West Germany in the European army and community.¹³

France did succeed in forcing the United States to accept the Pleven Plan, no matter how many reservations accompanied its approval. At the meeting of the Defense Committee, on 31 October 1950, Moch irritated his colleagues by what Secretary Acheson termed his "quasidictatorial intransigence." Despite Marshall's heroic attempts to avoid any issue that might create an impasse, Moch insisted on distorting American motives for linking the problem of Germany with the establishment of SHAPE.¹⁴ France, having made its move, appeared to demand that NATO accept it without compromise. Despite U.S. hopes that Socialists from Britain and Scandinavia would influence Socialist Defense Minister Moch and Guy Mollet, Secretary of the Socialist Party and Minister of State for European Affairs in the Pleven Cabinet, to modify their positions, the French initially stood fast.¹⁵

When they were isolated at the Deputies Council after the Defense Committee failed to resolve differences, the French ministers fell back a bit from their earlier position. Pleven claimed that he could handle Moch. It was more important, he reminded Ambassador Bruce, to remember the significant contribution the Cabinet had made in raising the German issue for discussion before the Assembly.¹⁶ At the Deputies Council meeting, where he initially had support only of Belgium, Hervé Alphand observed that Germans could be represented in units larger than battalions and proposed regimental combat teams as a substitution. Preparation of recruiting lists could begin immediately; Alphand promised that no discrimination against Germans would be allowed within the European army. More important, Alphand claimed that the Pleven

Plan could begin without waiting for formal completion of the Schuman timetable and that a High Commissioner for Defense could be created in place of a European Defense Minister. At the same time Alphand characterized the French plan as a remarkable step toward increasing Europe's defense, removing, as it did, France's resistance to German rearmament without being provocative to the Soviet Union. Such would not be the case were German divisions to operate within a NATO army.¹⁷

The United States accepted the presence of German units within the European army rather than as an independent force directly under the NATO Supreme Commander together with other national armies. While Defense spokesmen continued to argue that the division would be the appropriate German unit, they did concede that the regimental combat team might serve in its place during the first period of a timephased program.¹⁸ The military problems posed by French fears of German militarism were thereby solved as both French and Americans moved to compromise.

What remained to plague the Deputies was the political superstructure of the European army, which involved European control of military procurement and financial contributions. The United States had refused to make this concession in the past, and it continued to refuse in the Deputies Council. The solution, another compromise, devised by Charles Spofford, avoided the question of the political powers of the European community and concentrated on incorporating German units into the European army. A month after the Pleven Plan was presented the United States accepted the regimental combat team as a compromise between battalion and division,¹⁹ while France scrapped the requirement that German contingents could join the European force only after the European army was officially in being. France, however, won assurances that German soldiers in European uniform would never exceed 20 percent of the total manpower.²⁰ The Germans would serve side by side with Belgians and Italians, all in similar uniforms in a European command under a European Defense Minister who, in turn, would receive instructions from a supranational Council of Ministers responsible to the European parliamentary assembly.

The United States had to fulfill its obligation immediately, while French agreements under the compromise were to be redeemed in the future. The appointment of a Supreme Allied Commander—an American—and the establishment of a NATO headquarters in Europe would be in effect long before France's obligations were tested.²¹ The United States considered the Spofford Plan as a transitional stage in which the military effort would precede the political. By offering the Europeans an American Supreme Allied Commander it would eliminate any excuse for further French delay over Germany. As the Defense case stated, the regimental combat teams would be only an initial step in the process of linking Germany to the Atlantic community.²²

On the eve of the Brussels meeting of the North Atlantic Council (NAC), the French formally accepted the Spofford Plan. The compromise came just in time. Had it failed, the United States, as Acheson had advised Spofford earlier, would go ahead by itself "with German units of minimum effective size."²³ The question was not simply one of punishing the French for their obstinacy. There was uneasiness in both the State and Defense Departments over German public opinion, which had grown increasingly restive since September. Acheson worried as much over tempting the Germans to drive too hard a bargain for their cooperation as over the rising strength of German pacifism.

Social Democrats, however, found a receptive domestic audience for their complaints about the connection between rearmament and militarism and between rearmament and the perpetuation of the division between East and West Germany. The price which the Social Democrats were asking for the risks Germany would undertake was full equality of status in any new defense arrangements. Acheson observed that it was odd that "the strongest clamor for German 'equality' comes from the traditional anti-militarists who, at the same time, oppose reestablishment of a German national army, and who might logically be expected to cooperate in devising structural safeguards."²⁴ While Chancellor Adenauer remained optimistic as always, he did insist that West Germany could join in the defense of Europe only if it had a role commensurate with the dignity of a sovereign nation. To him, however, the opportunities seemed greater than the dangers, and the greatest opportunity was the enmeshing of his nation in the governance of Western Europe so that Germany would not be in a position again to play the destroyer of civilization. The Brussels meeting pointed toward the permanent rehabilitation of the Germans.²⁵

The communique issued at the end of the NAC meeting announced the "unanimous agreement regarding the part which Germany might assume in the common defense." It went on to observe that the Council invited France, the United Kingdom, and the United States to "explore" the matter of German participation with the Federal Republic of Germany.²⁶ This meant that there would be no automatic admission of German troops as a result of the meeting; the future of Germany in the European community would rest with the results of a conference to be held in Paris. As expressed in the record of the NAC, the French declared their "intention to call a conference of countries (including Western Germany) which may wish to participate in a European army . . ."²⁷ The distance between intention and execution could be considerable.

It was also obvious that the United States and France were still far apart in their conception of German armed forces. While the French worried about a surreptitious grouping of regimental combat teams into divisions, U.S. attention centered on the quantity and quality of troops.²⁸ Difficulties lay ahead, and both sides knew it. But for the moment the arrangements for another meeting on a German contribution to a European army broke the deadlock that had begun in September. The new French position assured continuance of an enormous U.S. military effort in Europe. It permitted a variety of changes that would make that effort more effective.

Supreme Headquarters of the Allied Powers in Europe

Plans for an integrated European army opened the way for the United States to approve the Council's request that General of the Army Dwight D. Eisenhower be designated Supreme Allied Commander, Europe, with a European headquarters supported by an international staff. "He will have authority to train the national units assigned to his command and to organize them into an effective integrated defense force."²⁹ Eisenhower's insistence on having these powers, in part at least, gave meaning to the idea of integration, and only a soldier of his stature could have won the support of the Allies in this effort. Eisenhower personally would have been willing to command 10 U.S. divisions in NATO, but not until he had assurance that Europe was doing its

share. In appreciation of Eisenhower's presence in Paris, the Allies were ready to accept almost anything he had to say.³⁰

Beyond verbal agreement, the Alliance had recognized the transformation of NATO from a planning to an operational organization—something that the appointment of a Supreme Allied Commander made necessary. It was scarcely a new idea. Before the Korean War, Secretary Johnson and General Bradley had urged, both openly and behind closed doors, the establishment of a centralized command structure with authority to determine each member's contribution.³¹ In August the State and Defense Departments had agreed that the creation of an integrated defense force was vital and urgent enough to be brought before the Council immediately. At the September meetings in New York, preliminary agreement on this action was reached among the Allies after assurances had been given that a plan for both German and American contributions to the new NATO force would be made.³² The duties of the Supreme Commander were: (1) To organize and train national units under his command; (2) to prepare means for executing missions assigned him and to see that they were coordinated with NATO plans; and (3) to make recommendations to the Standing Group on the deployment of troops and the building of the infrastructure. In keeping with his status, he was given direct access to the national chiefs of staff and authority to communicate directly with defense ministers and heads of government when necessary.³³

Even before plans for an integrated Europe defense program had been completed, the prospect of such a structure had resulted in demands for other NATO units and associated organizations. Suspension of the Western Union was one of the first expectations of the establishment of a Supreme Command; its demise had been anticipated since the summer of 1950.³⁴ Member countries like Britain no longer could afford to support both the headquarters of a new integrated NATO command and the old Fontainebleau headquarters, and they had no need to do so in the future.³⁵ The coexistence of parallel organizations had value only while the Western Union's Military Supply Board and Finance and Economic Committee were helping NATO's MPSB and DFEC to perform their duties.³⁶

Additionally, the Western Union had proved to be a source of constant embarrassment and annoyance to other NATO nations which felt that their legitimate interests in Western European planning were neglected. Nor did the accomplishments of the Western Union countries equal their early ambitions to use their production and financial agencies and their position as NATO's Western European Regional Planning Group to guide the destiny of the Atlantic alliance. Although British and French officials before the signing of the NAT had spoken often of having the Western Union examine production capabilities or solve financial problems or plan the defense of Western Europe, Western Union as a cooperative venture had been ineffectual from the start. It had done little to coordinate arms production or arrange for deployment of armed forces in the event of attack or in any other way to justify the title of Western "Union." The Union's most important contribution lay "not in its accomplishments but in the fact that it has become the pattern for subsequent organization."³⁷ There was small sense of loss when, with U.S. encouragement, the Allies decided to merge the Western Union organization into a NATO command. It would not be completely dissolved since the defense ministers and chiefs of staff committees might still meet on occasion, but no longer would they provide a challenge of any sort to NATO.³⁸

Inevitably, the regional planning groups followed Western Union into oblivion. While five groups had done the spadework for the MTDP, the artificial division of Europe among northern, western, and southern planning groups did not correspond to the boundaries of military theaters. Furthermore, these divisions were cumbersome; two groups had their headquarters in London, two in Washington, and one in Paris—the latter a concession to French fears of Anglo-American domination.³⁹ With Eisenhower's command area encompassing three regional planning groups, and with the North Atlantic Ocean Group to be taken over by a Supreme Allied Commander for the Atlantic, all but the Canada-United States Regional Planning Group became expendable. It remained intact since its responsibility—the defense of the North American continent—was in no way in conflict with the duties of the new command structure.⁴⁰

The disappearance of the regional planning groups left a void which could be filled only by increasing the powers of the Standing Group in Washington and by delegating some of its functions to the field commander in Europe. The Standing Group would assume long-range strategic direction as well as coordination and integration of defense plans which might originate in the NATO commands that would succeed the Regional Planning Groups, responsibility for directives to the Supreme Headquarters of the Allied Powers in Europe (SHAPE), and determination of military requirements of the integrated force. Its authority also extended to other commands which the NAC might decide to establish in the future.⁴¹ By centralizing leadership of NATO's military structure in the Standing Group, the Allies anticipated tangible benefits. The Alliance would be able to function without continuing to be hobbled by the demand for unanimity from 12 sovereign nations as a prerequisite to any important action. The only unit within NATO not constituted on the principle of national equality, the Standing Group (representing the Chiefs of Staff of only the United Kingdom, the United States, and France), would now be in a position to perform duties similar to those of the U.K.-U.S. Combined Chiefs of Staff during World War II.⁴²

The establishment of a Supreme Command was not taken without challenge from the smaller Allies, whose power and authority would be automatically diminished by elimination of the regional planning groups (in which they had enjoyed equal status with the major nations) and by the increased influence of the Standing Group (from which they were excluded). Concessions and assurances were required before the reorganization of NATO could be completed. The strongest reaction against creating a Supreme Command came from the Scandinavian countries, which had already expressed their dissatisfaction with NATO plans for the defense of Northern Europe and with U.S. requests for base rights in their territories.⁴³ Since they still did not know how many troops Britain and the United States intended to send to Scandinavia in case of invasion, Denmark and Norway looked with suspicion upon the plan to abolish the planning groups and to substitute a vaguely defined integrated defense for all Europe. While the authority of the Supreme Allied Commander was clear, the specific benefit he might bring to Scandinavia was not. The establishment of SHAPE raised the possibility that the Scandinavian countries would have neither a guarantee of U.S. or British support nor control over their own forces, which might be assigned to other parts of Europe. It was even conceivable that NATO forces delegated to serve in Scandinavia might be selected without the consent of the countries con-

cerned. According to Norwegian Foreign Minister Halvord Lange, these possibilities involved legal and constitutional as well as emotional complications.⁴⁴ The Scandinavian countries were mollified only when assurance was given that North Europe would not be neglected by the Supreme Commander and that a theater command would be arranged for the Scandinavian area.⁴⁵

The major concern of the smaller powers, however, did not focus on Eisenhower personally but on the Standing Group, which would give orders to the commanders. The behavior of the Big Three in the fall of 1950 did little to allay fears and suspicions. Although the smaller partners acquiesced in principle to the need for an integrated command, they could not agree to their own elimination from the planning activities of the Standing Group on the grounds of either security or efficiency. Neither goal would be achieved. New delays arising from pique or alienation on the part of the excluded powers would impair efficiency. If they were shut out of NATO councils, they would insist on other channels to obtain information and assert their own interests. The result was the establishment by the Military Committee, the parent body of the Standing Group, of a new Military Representatives Committee, in which all Allies would have a voice and which would serve the Military Committee much as the NAC. The Standing Group would be its working body. Actually, this plan contained no significant change in the operational habits of the Standing Group, which had been organized originally to serve as an executive agent for the Military Committee. The Committee of Military Deputies merely replaced the Military Committee, and relationships remained unchanged. This cosmetic device did not fully satisfy the smaller powers; they would have preferred, at least, that the Chairman of the Military Representatives be elected by nations outside the Standing Group and sit as an observer on the Group.⁴⁶ The only concession that the smaller powers won at Brussels was an agreement to have the Deputies consider the relationship between the Standing Group and other bodies in NATO. The same approach was applied to their suspicions over their exclusion from decisions in the allocation of scarce raw materials.⁴⁷

Their growing sense of impotence explained their interest in a Canadian plan for reorganizing the NATO structure in a fashion that would enhance the role of the smaller nations. In the name of greater efficiency, the Canadian Deputy proposed on 17 November that the Deputies Council should represent governments as a whole rather than their foreign ministers.⁴⁸ On the eve of the Brussels meeting the Canadians circulated informally a resolution approved by the Council Deputies. Despite U.S. pressure to defer presentation pending further study, it reached the Council for action. The result, however, was what the British, French, and Americans had wanted in the first place—it would be referred to “the Council Deputies and other NATO agencies” for more careful examination.⁴⁹

Clearly, the smaller members wished to use the Canadian proposal as a vehicle for the transfer of power from the larger members. It was equally obvious that the United States would react negatively to the proposal. Although the Deputies expanded their responsibilities under the Canadian plan of reorganization, they did not achieve the goal sought by smaller members of NATO, namely, to become the major institution governing NATO. Stikker, the Netherlands foreign minister, observed along with colleagues that the relationship between the Standing Group and the Deputies had been weakened between the New York meeting in September and the Brussels meeting in December. The original Council resolution spoke of Deputies providing

political direction to the Standing Group; at the December Council meeting they were discussing "guidance." "Considerable difference in meaning," Stikker noted, separated the two terms.⁵⁰

An opinion widely held in Europe, although unjustified, was that the choice of Charles M. Spofford as U.S. Deputy reflected a lack of respect for the Deputies Council on the part of the United States. Europeans had learned that former Under Secretary of State Robert A. Lovett had turned down the job, and that Special Representative W. Averell Harriman and Ambassador to the United Kingdom Lewis W. Douglas had both been mentioned for the post.⁵¹ Spofford, by contrast, was unknown to most of his European colleagues.

Obscure as Spofford may have been, his selection was not the problem. In fact, he enjoyed a relatively more important position than his counterparts on the Council, most of whom were senior officials in their respective diplomatic services but without the freedom and authority which the United States usually gives to special representatives outside regular Government service, as was the case with Chairman Spofford. His selection also indicated that an "Atlantic" as distinct from a "national" point of view had little chance for development in a Council composed of representatives of various national foreign offices.⁵² Even when the Deputies' functions expanded to include representing governments rather than just foreign offices, in 1951, they would still not become the vehicle for the smaller nations to control the actions of the larger members of the alliance.

The weight of U.S. attention, however, did not lie with the smaller nations and their various grievances and apprehensions but with the bigger nations. By succumbing to the entreaties of the British for a U.S. commander and by accepting French professions of good faith with respect to German rearmament, the United States recognized that it had done its share—and more—for the common effort. Military assistance had gone beyond monies and arms, beyond programs for additional manufacturing of defense goods; it involved a commitment of new U.S. manpower and the contribution of a distinguished American military leader.

Europe's initial contribution in return would be an integrated armed force placed under Eisenhower's authority. Additionally, and more significantly, satisfaction of the U.S. demand required rapid acceleration of MTDP, drastic increases in all defense budgets, and clear evidence that member nations were sacrificing, as was the United States, in order to make the defense of Europe credible. The United States felt that its own new defense production authority, chaired by Charles E. Wilson,* should be replicated in each country. This authority was to be responsible for increasing supplies and equipment for the forces placed under the Supreme Allied Commander. If the United States could ask Congress for \$40 billion more for defense, the Allies should ask their parliaments for necessary funds. As Acheson observed, "There should be less talk, fewer resolutions and schemes of organization and more action."⁵³

* Former President of General Electric (Electric Charlie), not to be confused with Charles E. Wilson, President of General Motors (Engine Charlie), Secretary of Defense under President Eisenhower.

The Defense Production Board and Finance and Economic Board

Important as the establishment of SHAPE was to the long-term defense of the NAT area, its immediate importance was to help remove some of the bottlenecks choking financial, production, and supply channels. The situation had worsened since the onset of the Korean War. The MPSB was particularly vulnerable. The Ad Hoc Costing Group and the High Priority Production Program, both the result of immediate reactions of the Deputies Council to the Korean War, had failed to come to grips with the problems. To replace the Ad Hoc Costing study, the "Nitze questionnaire" (named for Paul H. Nitze, Director of the State Department's Policy Planning Staff) was sent out by the NAC in November to find the currently agreed-upon estimate of the economic resources and prospects of each member, along with estimates of the cost of rearmament. The questionnaire examined all member countries, all national accounts, balance of payments data, budget projections, and commodity information.⁵⁴

Again failure resulted, partly from the inability of the MPSB to provide proper statistics for measuring national capabilities for defense production and partly from the familiar difficulties of DFEC in determining an equitable system of financing. The French objected to a method where, as in the ERP, individual distinctions between givers and takers were noted. This was precisely the feature that the United States found attractive, since it was convinced that aid should flow only as national programs were carried out in conformity with an overall scheme.⁵⁵ But, as a member of the Standing Group, the United States itself bore responsibility for the failure of the questionnaire. The Standing Group offered no specifications of the weapons it wanted or the kinds of equipment NATO troops would need.⁵⁶ Such information was what the United States had been demanding from the Allies for months, yet the United States as well as France delayed transmitting information about the military acceptability of types of equipment recommended for production under the High Priority Production Program and the End-Item Task Force. U.S. reactions were conditioned by considerations of national security and by the psychology of a creditor nation willing to divulge broad production figures but not details of specific categories.

On balance, the United States gained from full exposure of the gulf between what each member could spend and what each member did spend, between what each member could supply the organization and what it actually did supply. Besides, the economic problems of NATO nations were susceptible to solution more readily than the political problems. A unit such as the MPSB could be given greater authority and prestige without violating the sensibilities of any ally.

Immediately after the NAC's New York meetings in September 1950 the Defense and Military Committees received the task of examining means of achieving greater central direction of the Allied production efforts.⁵⁷ The U.S. representatives on the Defense Committee thereupon drew up plans for a Defense Production Board (DPB) replacing the MPSB, to be headed by a U.S. industrialist—a private citizen of proven ability who would be a NATO employee rather than an American delegate. He would have an international staff of experts chosen for their abilities rather than for their nationalities. Although selected by governments, staff members would be responsible only to the

Executive Director.⁵⁸ Instead of unanimous approval before action could be taken, as required in the MPSB, a two-thirds majority would be sufficient for action in the DPB. Energy would be concentrated on the most important production problems rather than diffused over the broader area previously covered by MPSB.⁵⁹

These ideas were thoroughly discussed in the fall of 1950, and were generally accepted by the MPSB and the Defense and Military Committees. This new board, like the old, lacked machinery for financing production and still had to rely on the individual countries for information on what they should or would contribute. The new DPB could only make recommendations as to eligibility of major projects and, even though it might carry on its work more effectively than its predecessor, the voluntary cooperation of each ally was still a basic prerequisite for success. The United States would have preferred that the new DPB have authority to find out for itself the exact capabilities of NATO allies, to direct the utilization of their resources for the common welfare, and to force the maintenance of promised levels of performance. In other words, the United States wanted an international equivalent of the Office of Defense Mobilization (ODM) with the NATO director assuming the powers of the ODM's Charles E. Wilson. At the very least, each member nation should appoint an official with powers equal to Wilson's for management of its own defense production effort. Acheson presented this idea vigorously at the December meeting of the Council in Brussels; the Munitions Board had endorsed it earlier.⁶⁰ But in the end, not one of the Allies, including the United States, was prepared to recommend such a serious abridgement of national sovereignty as these changes would involve. It soon became clear that the DPB had little chance of becoming a production overlord for the NATO economy.

The new group, however, enjoyed a number of advantages over the old. It was to be a permanent body in continuous session, headed by a full-time director with more prestige and more authority than the MPSB chairman.⁶¹ The arrangement became official when the communique of the Brussels meeting announced on 19 December that "the Defence Committee, meeting separately on 18 December, had already taken action to establish a Defence Production Board with greater powers than those of the Military Production and Supply Board which it supersedes. The new Board is charged with expanding and accelerating production and with furthering the mutual use of the industrial capacities of the member nations."⁶² Less than a month later, the Deputies chose William Herod, President of the International General Electric Company, to be coordinator of North Atlantic production.⁶³ That this reorganization would solve the production problems that had overwhelmed the MPSB was doubtful from the outset, but at least it offered some hope for change, no matter how small.

Given the fate of the MPSB, the DFEC inevitably followed the production agency into oblivion early in 1951. DFEC was too closely tied in failure to the MPSB. But the DPB still needed the services of a finance group, which meant that a new group, the Finance and Economic Board (FEB), had to be created to help clear the obstructions identified by the DPB.⁶⁴ FEB took over from the DFEC the supervision of economic mobilization, protection of basic economies, conversion of civilian production, and additional provision of scarce materials in May 1951. Both the DPB and FEB were to operate under the Deputies Council.⁶⁵

That the change of title of the Finance and Economic Board, like that of the production agency, might be only cosmetic was of less concern to Department of Defense officials, at least early in 1951, than the NATO recommendation that FEB headquarters be relocated from London to Paris. Paris was too closely identified both with French dissidence and with the older economic organization, the OEEC.⁶⁶ But the agency moved to Paris, anyway, on the grounds that questions of European recovery were connected with economic mobilization.⁶⁷ Moreover, the FEB was the economic adviser to all other NATO bodies and reported to the Council on the progress of national defense programs from a financial point of view. To the extent that the Board's surveys were directed to the Deputies Council the Canadian plan for a reorganized NATO succeeded. By the same token, to the extent that authority was diffused among the NATO nations, the sacrifices demanded by the United States were not made.

U.S. Interests vs. NATO Interests

The uneasy balance in the United States between national interest and NATO interest remained difficult to attain in all the actions taken at Brussels. Despite the sincerity of U.S. interest in European cooperation, there existed a serious ambivalence in the U.S. attitude toward NATO which had the effect of delaying the growth of the organization. A basic—and probably insoluble—difficulty in U.S. leadership of the West was that it asked its allies to accept policy that it was not prepared to adopt for itself. At the same time that American delegates asked for full integration of Europe's defense efforts they could not commit their own government to integrate U.S. forces and the U.S. economy into the common effort.

U.S. objections to extending the powers of NATO stemmed from a number of sources, most importantly the consensus that the national security of the United States would not always coincide with the interests of the North Atlantic organization, that NATO was only a part of a larger U.S. defense policy which had to take into account the security of Asia and the Pacific, Latin America, and the Middle East.⁶⁸ The first priority for weaponry in the fall of 1950 had to be the battlefields of Korea. Ideally, there should be no conflict between the long-run strategy of NATO and that of the United States, but the United States had no assurance that its allies would regard the security of the free world in the same light. Thus the United States feared that the ideas periodically put forward by the French for pooling the resources of the West would mean that the MDAP would come under NATO control and permit the European nations to relax their own defense efforts in the knowledge that they could direct American money and arms to take up the slack. The Allies under such circumstances would become more, rather than less, dependent upon U.S. support. Integration would also disclose to the Allies U.S. military production and distribution plans, knowledge of which might endanger U.S. security and stimulate unhealthy rivalry among the European countries, each seeking to obtain a maximum share of available aid.⁶⁹

All the American officials shared this concern, but the Defense spokesmen seemed more sensitive to its implications than those of the State Department. Unlike Secretary Acheson, the Defense Department clearly stated its opposition to granting powers to the DPB that would impair the sovereignty of the members, and the Munitions Board objected vigorously to NATO control of

the distribution of scarce raw materials in the fall of 1950.⁷⁰ The military did not object to strengthening NATO, since that was vital to the defense of Europe, but they did protest granting powers which might threaten U.S. influence in DPB and its control over the MDAP. The Defense Department conceived the latter to be a mechanism by which the United States could be assured of a return for its financial investment. And the appointment of Eisenhower was an occasion to spur Europe's compliance with the requirements of the Alliance.⁷¹

The difficulties which Defense representatives encountered in securing base rights on the territory of the NATO allies vindicated their concern and illustrated why they insisted that the United States stand apart from its allies, in a position to deal with each one bilaterally. This stance met persistent opposition from the State Department, which wanted all such sensitive issues as base rights considered by NATO as a whole. In this way State hoped that the sting might be taken from any naked exchange of land for money and that U.S. bases would be known as NATO bases. If it were made clear that the concessions of territory by Norway or Italy would be made to an international organization and not to the United States, national pride could be more easily assuaged.⁷²

Although in the fall of 1949 the Defense point of view on negotiating military rights simultaneously with bilateral agreements for military assistance had prevailed,⁷³ the NATO allies by the end of 1950 still had not completed negotiations with the United States for the use of airfields, construction of new defense installations, or erection of lines of communication across strategic areas.⁷⁴ The failure to proceed along lines agreed on by FMACC resulted less from State Department opposition than from the obstructive tactics of the Allies. The Allies were willing, without much argument, to sign the bilateral military assistance agreements with the United States, but they were in no hurry to conclude agreements for military rights. The one had to be completed before any military aid could be received and its commitments were composed of generalities for the most part, while the other was specific in nature, involving transfer of land and the presence of troops and planes of foreign powers — issues which always raised difficult political problems. For most of the Allies, the NATO symbol did not have enough magic to make the sacrifice palatable; it was still a bilateral negotiation despite the NATO cloak. Some even feared that U.S. air bases might be as much a liability as an asset in defense if those bases should attract special attention from the enemy in event of a war. Thus the Allies were unsympathetic to U.S. efforts to speed the completion of necessary concessions.

Faced with this resistance, the Defense Department had no choice but to accept delay, hoping that under cover of NATO the bilateral approach earlier envisaged would still be feasible even if at a slower pace.⁷⁵ Ultimately this was the case. By the fall of 1950 the Allies had agreed that negotiations would be completed immediately after the Standing Group had approved the revised regional defense plans containing full specifications on needs for military operating facilities. Negotiations were then to be conducted bilaterally by the countries concerned. The Standing Group would be informed of the results and would automatically confer NATO approval.⁷⁶

With the exception of the Air Force, key elements of the Defense Department gave their approval to this method of dealing with the base rights problem.⁷⁷ The Air Force spokesmen felt that the language should have been

less equivocal because their own experience indicated a need for the strongest possible bargaining power in dealings with the Allies. More than political considerations were involved. For example, in Air Force negotiations for North African bases, economic and financial and military issues were at stake. In Morocco, where the United States sought to build air installations—an expensive project which included such items as runways, storage areas for stockpiling, refueling facilities, and housing for personnel—serious difficulties were being encountered. The French wanted their military, naval, or air ministers to let all contracts to local builders as if they were for a French account, and only when the project was completed would it be turned over to U.S. forces.⁷⁸ Under French law all contractual arrangements of this sort had to be made through the French Government: Under such a system the extent of U.S. authority in the area would always be in doubt, and the costs and time originally estimated for the project invariably would be inflated. The most skillful negotiations were required before the French agreed to circumvent the legal roadblock by setting up a liaison mission to give nominal supervision to direct arrangements between American contractors and local companies.⁷⁹

The United States found a similar pattern of problems in other military rights dealings, whether they concerned a line of communications across France or naval bases on the northwest coast of Africa.

To Defense, any effective substitution of NATO for U.S. authority in the issue of military rights would result in the diminution of U.S. security and impairment of U.S. interests. Some measure of freedom from interference by the NATO allies in all areas of defense planning was deemed vital, for without salutary U.S. pressure through bilateral negotiations and without the power of the United States to act outside NATO channels the Alliance itself lacked the impetus to make progress. There was an obverse side to this argument, implicitly accepted by the State Department, which claimed that a more powerful NATO would make all the Allies more amenable to the dictates of the general welfare of the free world by removing old fears and jealousies. But this was mere speculation compared with the hard fact that only U.S. pressure exerted through its independent bargaining position was responsible for many of the gains achieved in the first year and a half following the signature of the North Atlantic Treaty.

State-Defense Differences

While the military rights problem had appeared to involve largely a conflict between U.S. and European interests, the differences in the Defense and State approaches to the problem were never far beneath the surface. Not that State disapproved of Defense objectives; its opposition was to the emphasis Defense placed upon bilateralism rather than the principle itself. It was this attitude that so disturbed the military during the reorganization of NATO after the Korean invasion. The strengthening of the Standing Group and the creation of a Supreme Command appealed to the Defense Department since these moves consolidated military power in areas where it was important that U.S. views should not be challenged. The concurrent strengthening of the political organs of NATO, on the other hand, inspired considerable misgivings, partly because U.S. authority would be diminished by the equal status of all the Allies and partly because State's position in NATO would not be substantively

reduced in light of the fact that after May 1951 Spofford would represent the Defense as well as the State Department.

Defense worries centered upon the Deputies Council. Even though its authority was limited and its duties were restricted to formulating issues and carrying out instructions of the NAC, it was nonetheless the highest permanent political group within NATO, as evidenced by the agreement at the New York meeting of the North Atlantic Council to entrust the Deputies with the political guidance of the Standing Group during the long intervals when the North Atlantic Council was not in session.⁸⁰ In fact, this provision — which could be interpreted as making the Deputies Council a check upon the authority of the Standing Group — helped to satisfy the smaller NATO partners.

The Defense Department, even before the NATO reorganization of 1951, had been alert to the potential threat to its responsibilities in NATO, and, by extension, to its conception of the U.S. position, and it chose to make a stand on the powers of the American representative on the Deputies Council. The military had no intention of allowing the Standing Group to become merely an agent of the Deputies Council or the Defense Department a subordinate of State in NATO planning in July 1950. Defense did not question, of course, the propriety of having a State Department appointee as the U.S. Deputy; what disturbed the Defense officials was the list of duties that State had planned for him. Not only would he be the chief NATO representative in Europe of the United States, an ex officio member of all NATO committees; he was also to be the chief U.S. representative in Europe for Mutual Defense Assistance, incorporating into his personal staff the Executive Director of the European Coordinating Committee, Lt. Col. Charles H. Bonesteel, III.⁸¹ To some Defense members, these powers undermined the function of the ECC and destroyed the whole structure of the tripartite—State—Defense—ECA—coordination of the MDAP. By attaching Bonesteel to the staff of the U.S. Deputy, the ECC would be transformed, as Lemnitzer saw it, from an executive coordinating committee for MDAP in Europe to a mere advisory board for the U.S. member of the Deputies Council. The position of General Thomas T. Handy, as chief U.S. military representative for military assistance and for NATO planning in Europe, would also be seriously compromised by this move.⁸²

Since it was beyond the power of the Defense Department to prevent the appointment of a U.S. Deputy, it intended to whittle away at as much of his authority as possible, either in the guise of a compromise or in any other way feasible. Thus Defense conceded Spofford the chairmanship of the ECC, provided that the current chairman, Ambassador Lewis Douglas, would relinquish his seat on the committee.⁸³ Once won, this compromise was not as satisfactory as it had first appeared to the military. The ECC executive director remained a member of Spofford's staff under this arrangement, and the Deputy's position as chief U.S. representative for mutual defense aid remained an unwarranted insertion of a new echelon between the Secretary of Defense and his personal representative for military aid in Europe, General Handy. Such was General Burns's interpretation of the new responsibilities which would fall to the Deputies under the Canadian proposal for reorganization.⁸⁴

Annoying as this situation was, it was clear to Defense that the impact of the Deputies Council upon NATO was far more critical than its effect upon the administration of the MDAP where State had always possessed paramount authority. General Burns, speaking for his department as Assistant to the

Secretary for Foreign Military Affairs and Military Assistance, claimed that State's conception of the Deputy as a link between the State Department and NATO would bypass military lines of authority.⁸⁵ As a first measure in opposing State, Defense officials insisted that the Deputy's responsibilities in connection with subordinate NATO units be precisely defined, for, as they pointed out, his job was to give general guidance to the Standing Group in NATO, not detailed advice.⁸⁶ To ensure that this guidance would be limited to generalities and thus made innocuous, they advised against his being made a member of every NATO committee and proposed to restrict the flow of military information to the Deputy on the ground that it would not be necessary to his work.⁸⁷ This tactic, if successful, would have solved Defense's problem. When the Secretary of Defense asked the JCS whether they ought to send an adviser to Spofford for consultations on the increases in combat forces which the Deputies had agreed to seek from each country in August 1950, the JCS replied that an adviser would undoubtedly be helpful to the Deputy in analyzing the contributions of the Allies but would not be needed for the U.S. contribution; the Deputy's only involvement in the latter was to present before the Council the information the JCS supplied him.⁸⁸

Jurisdictional prerogatives were not the issue; there was a genuine danger of State's inadvertently obstructing the chain of command between the Secretary of Defense and General Handy. Defense resistance to the Deputies Council led to postponement of a decision on the roles and missions of the U.S. representative until the time of the Brussels meeting. In the compromise solution finally reached on 16 December, the Deputy preserved his preeminence in matters relating to mutual defense assistance and his title as "senior United States representative for Mutual Defense Assistance in Europe," but Spofford's supremacy in NATO affairs was less assured as State relinquished, under pressure from the Defense Department, the title of "Senior United States NAT Representative Overseas" and the role of clearing-house for all instructions to NATO delegations from the United States. While he would receive "full and current" information on instructions to all U.S. NATO delegations, "technical" information was excluded from that category, and no definition of "technical" was provided.⁸⁹

In the debate on the powers of the Deputy the ECA representatives gave grudging support to Spofford's position in MDAP matters. As Norman Paul reported to Richard Bissell, Assistant ECA Administrator: "Although it is specified that Spofford will receive his instructions from the secretary of state, I don't anticipate that any ECA interests could be jeopardized, as long as there is an FMACC, and as long as NAT economic policy matters continue to be cleared with you."⁹⁰

ECA's weight, such as it was, came down also on the side of State supervision of NATO's Defense Production Board. As long as the chain of command seemed to run through the JAMAG in London to the Munitions Board in the Pentagon, "the most independent of all Defense Department components in this picture," ECA's voice in the distribution of funds for the development of new production would not receive an appropriate hearing. It would be preferable to "take this group out of the Defense Military Committee and put it squarely under the Deputy."⁹¹

ECA did not challenge Defense's function in managing the accelerated production program in Europe. It recognized the importance as well of having Europe accelerate its own armament programs. And it recognized that it was

beyond the competence of its specialists to judge the kind of military equipment that Europe should produce. What ECA asked for was a clear understanding among the cooperating agencies that its familiarity with the economic state of Europe would be properly recognized in the defense buildup of Europe after the Korean War. There was worry about the "strong suspicion in military minds of anything which suggests multilateral cooperation" and about the defensiveness they exhibited whenever the question of serious economic problems, such as balance of payments, was raised.⁹² As a means of minimizing Defense interference, ECA contemplated for a time advancing the OEEC, the offspring of the Marshall Plan, to manage the financial aspects of the rearmament program, as it had managed so successfully coordination of the economic recovery of Europe. This idea, however, never went beyond the discussion stage. Even if the OEEC might have done the job better than NATO's DFEC, as Norman Paul of ECA believed, the complications involved in reconciling and distinguishing the problems of NATO and non-NATO members of OEEC would have doomed the proposition from the start.⁹³

The military had successfully challenged the political threat to its role in NATO policy matters, but it was a threat which had never been more than a feeble one. From the signing of the North Atlantic Treaty, the political development of the organization had lagged far behind the military. Until the Deputies were created in May 1950, the North Atlantic Council itself had been the major representative of the political side of NATO, and this group, composed of overburdened foreign ministers, of necessity left running of the organization to the more numerous military committees—the Defense Committee, the Military Committee, the MPSB, and, above all, the Standing Group. It was the initiative of the JCS and OSD which effected the bulk of the changes that were made in the structure of the organization after the invasion of Korea.

Compared with these advances, the political accomplishments as embodied in the Deputies Council were primitive. This was precisely what the Defense Department preferred. By helping to minimize the powers of the Deputies Council it would not only keep State interference at bay but would allay the dangers inherent in allowing the Deputies to furnish guidance to the Military Committee and the Standing Group. The specter of 12 NATO nations governing the Standing Group with day-to-day supervision never materialized.⁹⁴

If the course of NATO's growth was determined largely by the U.S. Government, and within the Government by the Defense Department, it was also clear that within the Defense Department the voice of the Joint Chiefs of Staff carried the most weight. While the Secretary's Office of Foreign Military Affairs served as the Department's agent in negotiating with State on the powers of the Deputy, it was the JCS that had the greatest impact on the Department's views, just as it was JCS opinion that shaped the Department's position on the admission of Greece and Turkey to NATO and on the disposition of the Western Union's military system. This situation, however, was not an unnatural one since the Secretary played a more passive role in the Defense Committee than did the JCS in the Military Committee and the Standing Group, but it pointed up either a defect in the hierarchical organization within the Defense Department or the disinterest of the Secretary of Defense, which elevated the JCS, the advisory body, to a position of greater effectiveness in NATO policy-making than the Secretary. This situation

resulted not from any JCS usurpation of the Secretary of Defense's authority, on the one hand, or of Defense usurpation of State powers, on the other, but from a power vacuum at the military level which went by default to a group that was able to fill it. Thus, at the close of 1950 the structural faults in NATO, the lack of agreed political objectives, and congressional hostility—at a high pitch at this time—all combined to limit the power of the Secretary of State, according to William Yandell Elliott, "to conduct foreign relations through the agency of the North Atlantic Treaty Organization bodies, except as this may be compatible with the Military policy of the Joint Chiefs of Staff."⁹⁵

MDAP Reorganization

Unlike the situation in NATO, relations in the MDAP between the Secretary of State, the Secretary of Defense, and the JCS were much more carefully defined, and their respective duties were fully clarified by congressional enactment, Presidential order, and departmental directive. Under these controls the JCS occupied the position originally envisaged for them, that of advisers to the Secretary of Defense, while the military Services were restricted to operational functions. This division of labor enabled the Secretary of Defense's Office of Foreign Military Assistance to act as the undisputed "administrative channel between the Director, Mutual Defense Assistance Program, MDAP and the Department of Defense, to monitor the transmission of FMACC problems through the proper channels to the respective Services and agencies within the Department of Defense, and to assure that their views are formulated, supporting data assembled, and recommendations made available."⁹⁶

While the Defense Department had considerable scope in the administration of MDAP, the overall coordination of the program rested with the Secretary of State and his representative, the Director of Mutual Defense Assistance. Defense, however, never fully accepted the authority of State, and the armed Services chafed under unaccustomed regulations and a type of control which they felt to be inefficient if not harmful to their missions.

The effect of the Korean War upon the structure and methods of the MDAP was as drastic as it had been upon NATO. The Defense Department received in the summer of 1950 an addition of \$5.2 billion to the Mutual Defense Assistance Program. The weight of this huge sum and the problem of its use immediately brought forth plans for reorganizing the MDAP which, in turn, opened the barely healed wounds caused by State-Defense friction.

The Secretary of Defense made urgent calls to the Services to speed up deliveries of equipment.⁹⁷ Although they appreciated as much as the Secretary the need for prompt action, their responses revealed that deliveries actually would be slowed because of the competitive demands of the Korean conflict and America's own defense buildup. The drain of the war effort in Korea meant that the Services could less easily spare equipment from reserve stocks, especially when they considered the impact of the sharp rise in the cost of new equipment upon their budgets.⁹⁸ To the complaints of the Services the Secretary could only express the hope that a rescheduling of priorities in the supplemental program might effect some sort of adjustment.⁹⁹

Confronted by this difficult situation, it was only natural that all parties to the program would point out the shortcomings of their colleagues as an

explanation for their own frustrations. Casting about for a remedy, the military Services immediately came up with the answer they had used from the very beginning of the MDAP, namely, that the interference of the State Department in essentially military matters had hindered progress. According to the Munitions Board in June 1950, control of the program should be taken from State and placed under an administrator responsible directly to the Secretary of Defense with authority over both military and economic assistance. State's functions would be restricted to negotiating bilateral agreements. Such a plan had the obvious advantage of giving the Defense Department leadership in both economic and military aid programs, leaving ECA and State with purely technical assignments.¹⁰⁰ If this solution were not possible, the Secretary of the Army would have settled for greater decentralization of authority, so that funds appropriated for the military implementation of MDAP would go directly to the Secretary of Defense without first requiring approval by State. While the Army did not suggest a complete separation of MDAP from foreign policy planning, its proposal would have deprived State of an effective review of the program.¹⁰¹ The objective of all military opinion was to work for a change which would strengthen the hand of the Defense Department in MDAP.

The eagerness of the armed Services and the Munitions Board for organizational changes in the program diminished appreciably, however, when in October 1950 a study group, consisting of representatives from the State, Defense, and Treasury Departments, the ECA, and Harriman's representative was formed to discuss the problem under the direction of the Bureau of the Budget. Instead of championing larger Defense powers, this committee suggested that organizational difficulties could be corrected by strengthening State controls over the program. The committee said that the principal troubles lay in the hitherto weak leadership of the Director of Mutual Defense Assistance in the interdepartmental FMACC. According to the Director of the Bureau of the Budget, the quickened tempo of collective security planning after the Korean invasion required the harnessing of all foreign aid activities, including ECA, in a single framework under more centralized control.¹⁰²

A plan embodying three major proposals emerged from the discussions: (1) Creation of a new interdepartmental committee to replace the 2-year-old FMACC and to deal with both NATO and MDAP matters; (2) the addition of a Treasury representative to the new steering committee; and (3) the appointment within the State Department of a Special Assistant to the Secretary for International Security Affairs. Although Defense representatives raised numerous objections, the Secretary of Defense himself was far more moderate in his views than the military Services. In fact, General Lemnitzer, head of the Office of Military Assistance, specifically disclaimed a share in the Army's plan for reducing the roles of State and ECA in the MDAP, stating that Defense lacked the experience to handle the diplomatic and economic aspects of NATO and MDAP.

The Defense Department did have reservations, however, particularly about the wisdom of granting the Treasury Department full-time membership in view of its minor involvement in MDAP. But for the most part objections centered on modifying the language of the plan so that legitimate Defense interests would be properly safeguarded.¹⁰³

Deputy Secretary of Defense Lovett suggested that the new head of the program be located physically outside the State Department and that no mention be made of his exercising responsibility on behalf of the Government

as a whole, because the Secretary of Defense in the NATO Defense Committee and the JCS in the Military Committee also represented the Government as a whole in their respective spheres. To further protect Defense interests, Lovett wanted a written guarantee that the new arrangements would take into full account the statutory responsibilities of the JCS and ECA and would subordinate the new steering committee to the National Security Council, where Defense had parity with State. Further assurance would result from the establishment of an Assistant to the Secretary of Defense for International Security Affairs who would be the counterpart of State's representative on the committee.¹⁰⁴ Thus it was obvious that OSD, differing from the military departments, was concerned less with gaining new influence in the MDAP than in preserving its powers in NATO.

After considerable interdepartmental consultation, most of the Defense recommendations were accepted. The State representative was to be known as Director of International Security and Assistance Affairs (the words "and Assistance" were subsequently deleted from the title at the suggestion of President Truman), and an Assistant to the Secretary of Defense for International Security Affairs was approved, with the same responsibility and authority within Defense that the Director for International Security Affairs would have within State. Despite Lovett's concern over future misunderstandings, the final text specifically called for the Director to exercise "responsibility for the Government as a whole" when he served as a leader of interdepartmental coordination of policy concerning NATO and mutual defense.¹⁰⁵ Knowledge that the duties and responsibilities of the Secretary of Defense would continue unhindered outweighed whatever annoyance Defense officials felt about continued Treasury participation in the Committee on International Security Affairs (ISAC).¹⁰⁶

Before final decision on the new organizational arrangements of the FMACC, the military Services and the agencies of the Defense Department had an opportunity to air their views. Most of them reflected parochial concerns. The Munitions Board wanted to make sure that the new Assistant to the Secretary of Defense would present its views as well as those of the JCS, and other Defense agencies insisted that their role as principal military advisers to the President, the National Security Council, and the Secretary of Defense be fully maintained.¹⁰⁷ They would have preferred postponing any decision on reorganization pending completion of a study on the administration of foreign affairs and overseas operations being conducted by the Brookings Institution.¹⁰⁸ Failing that, they would have preferred that the new organization restrict its authority to MDAP, omitting responsibilities for national and international security.¹⁰⁹ In general, however, the subordinate offices accepted the recommended changes after asserting the primary responsibility of the Secretary of Defense for determining the military character of all international programs.¹¹⁰

Following these deliberations President Truman announced on 19 December 1950—coinciding with the meeting of the North Atlantic Council at Brussels—the establishment of ISAC, consisting of representatives of the Departments of State, Defense, and Treasury, the ECA, and the Executive Office of the President (Special Assistant Harriman's office), under the chairmanship of State's Director for International Security Affairs.¹¹¹ Superficially, this memorandum of understanding indicated that the Defense Department had failed to gain more control over the MAP or to prevent State from

further intervening in NATO affairs, but an important paragraph of the document stated:

It is essential that operating responsibility be delegated to the greatest possible extent to those agencies which are equipped to handle it. This means that with respect to mutual defense and within the framework of established policies, the Department of Defense has primary responsibility for determining the military character of international programs, for developing and implementing the end item and military training programs, and for developing U.S. determinations as to military requirements in the formulation of programs for military production abroad.¹¹²

In all these developments the MDAP and NATO had shown themselves to be flexible and susceptible to adjustment. Real advances had occurred—elimination of Western Union organizations, beginnings of a European defense community, erection of a unified command structure. If these accomplishments appeared less impressive than they might have been, it was partly because the basic trouble was not organizational. Whether State or Defense had exercised complete control would have made little difference to the progress of either MDAP or NATO at this time. Appreciation of the results also suffered from the fact that new problems, such as the Chinese invasion of Korea and the mounting threat of inflation, increased faster than the means for combating them. In any event, the changes made in NATO as a result of the Korean War were given official approval at the Brussels meeting of the NAC in December 1950. Appropriately, the location of the MDAP within a new structure received Administration approval at the same time.

Important as they were to the defense of the Alliance, the success or failure of specific military assistance programs in the fall of 1950 was secondary to the promise of the NATO allies to fulfill and expand their commitments. On both sides of the Atlantic there existed temptations to abandon NATO. The United States, for its part, expressed impatience over Europe's reluctance to exploit Germany's war potential. It wondered about the wisdom of conferring vast amounts of money, supplies, and equipment on ungrateful Europeans while the Far East was in flames. The European members, in turn, questioned the worth of U.S. aid if it meant the eventual subordination of the civilian economy to rearmament and an inflationary spiral that would doom the hard-won prosperity fostered by the ECA. Once they perceived that the action in Korea was not a pattern for the Soviets in Europe, they became convinced that excessive deference to U.S. importuning would needlessly anger the Russians and provoke internal opposition. U.S. leadership in Asia created widespread uneasiness among Europeans, especially when they listened to talk of using the atomic weapon in Korea and observed the increasing willfulness of General Douglas MacArthur in his confrontations with President Truman. But above all else, the apparent U.S. insensitivity to a rearmed Germany was the sorest issue between the New York and Brussels meetings of the NAC.

The meeting at Brussels did not solve everything. Major questions of deadlines and criteria for meeting the MTDP, of extracting even minimal support from NATO members on a basis of equitable sacrifice, of satisfying the national sensibilities of each partner, or of finding a balance between economic prosperity and the potential for rearmament all remained unsolved, and perhaps insoluble. Nor were Defense grievances placated by the replacement of FMACC with ISAC; the MAP remained under the auspices of the State

Department. Despite State's professed wariness about the claims of the smaller powers to a greater voice in NATO decisions, the new focus of NATO activities was in the Deputies Council, where the smaller powers had a larger voice and where the U.S. representative, Charles Spofford, presided as an agent of the State Department.

Yet the picture of U.S. interests between September and December 1950 brightened in Europe even as it darkened in Asia. At the very time Chinese forces appeared to move irresistibly south from the Yalu, the United States moved to commit itself more deeply than ever in the European heartland. Based on what in 1950 was only a promise of Franco-German collaboration in a European army, the American ally provided troops, funds, and an American commander at a new Paris headquarters.

Within the United States, while the chairman of ISAC may have been a member of the State Department,* the Office of International Security Affairs in the Defense Department was strengthened. The prestige and influence of the Defense representative on ISAC were also enhanced by the accelerating reduction of ECA's status. Even before the establishment of ISAC, President Truman had announced that the "time for giving economic recovery a clear priority over efforts to build military strength was passing. . . ." By January 1951 he announced that aid to Europe would have to be directly linked to rearmament rather than continuing civilian expansion.¹¹³ ECA had seen the handwriting on the wall in August, when Harlan Cleveland had observed that under the conditions of rapid expansion of defense facilities throughout NATO the distinctions between recovery and rearmament would disappear. In this situation, he felt that ECA's experience must be used to cushion the impact of this change on European economies.¹¹⁴

NATO emerged from the Brussels meeting as a genuine military organization, not merely as a group of signatories to a treaty with plans for military organization. Its new center was SHAPE, commanded by the most prestigious and visible figure in NATO—Eisenhower, above all a general, a symbol of the U.S. military presence in Europe. And the \$4 billion of additional emergency aid that appeared so prominently in August was now part of a military assistance program with projected expenditures that would reach \$10 billion in fiscal years 1952 and 1953.¹¹⁵ The Defense role in NATO was greater, and hopes for realizing the MTDP were higher, after the NAC meeting at Brussels than they had been at any time since the eruption of the Korean War.

*In State he was Director for International Security Affairs, and he had the same powers vis-a-vis the Department of Defense in MDAP as the former Director of MDAP.

CHAPTER IX

Toward Lisbon

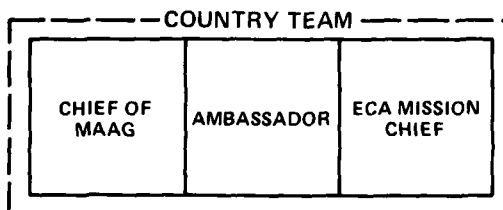
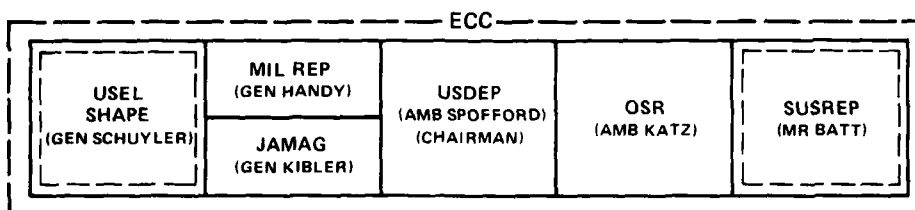
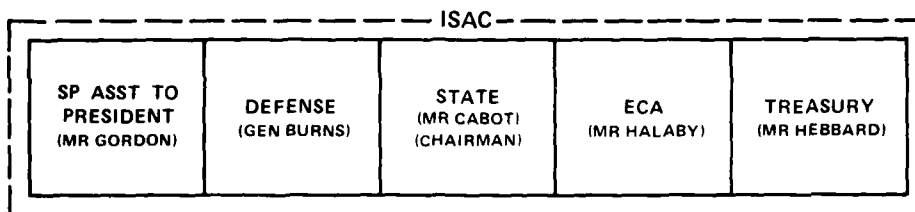
"The Great Debate"

There was a fragility about many of the arrangements made at Brussels that became apparent on several occasions during 1951. France quickly revealed its intention to place new obstacles in the way of German contributions to European defense. The European Defense Community never came into being. DPB, which was to make a breakthrough in the supply of manufactured end items for the Allies, required a new Financial and Economic Board to serve it in 1951, and neither agency was any more successful than the older MPSB and DFEC had been in prying from them sufficient information about their capabilities for defense spending. The goals of the MTDP appeared far from realization in 1951. U.S. force contributions to the Supreme Allied Command were not being matched by corresponding contributions from the Allies.

The most immediate and alarming challenge in the U.S. commitments at Brussels developed nominally from the U.S. congressional debate in 1950–51 over the President's power to dispatch troops to Europe. In reality, isolationists in Congress were voicing their opposition to the maze of American entanglements abroad, which included military assistance as well as the consignment of troops to SHAPE. The appointment of General Eisenhower as Supreme Allied Commander opened the so-called "Great Debate" that became the major test of NATO's strength in the United States. Congressional restiveness with Truman–Acheson leadership, combined with the power of the isolationists, could have wrecked the ambitious plans of 1950 to transform the North Atlantic Treaty into a military organization buttressed by a visible American presence in Europe. No matter how illusory, reconciliation of France and Germany within a Europe integrated economically and militarily was the prerequisite for the American commitment. In retrospect, the policy succeeded under the most adverse of circumstances—when the war in Asia was going badly and the isolationist attack going well. It withstood even the climactic moment in April 1951 when a deposed MacArthur came home to a hero's welcome.

Even before Congress held hearings on the assignment of ground forces to Europe, former President Herbert Hoover had raised the standard of Fortress America. Except for helping Europe with some material assistance, he urged the United States to leave that continent alone; involvement with Europe would lead to the destruction of the entire West.¹ Former Ambassador Joseph P. Kennedy contrasted the might beyond the Iron Curtain with the fatal

9. U.S. ORGANIZATION FOR MILITARY AND ECONOMIC ASSISTANCE, 1951



— — — CLOSELY ASSOCIATED

GLOSSARY

ISAC — Committee on International Security Affairs.

ECC — European Coordinating Committee.

USEL SHAPE — US Element, Supreme Headquarters Allied Powers Europe.

MILREP — US Military Representative for Military Assistance in Europe.

JAMAG — Joint American Military Advisory Group.

USDEP — Deputy US Representative, North Atlantic Council.

OSR — US Special Representative, ECA in Europe.

SUSREP — US Representative, North Atlantic Treaty Defense Production Board.

MAAG — Military Assistance Advisory Group.

Source: As printed in Report of the Subcommittee of the Senate Committee on Foreign Relations, UNITED STATES ECONOMIC AND MILITARY ASSISTANCE TO FREE EUROPE, S. Doc. No. 36, 82d Congress, 1st session, p. 7.

deficiencies of the West, saying that entanglement with Europe and Asia "is suicidal. It has made us no foul weather friends. It has kept our armament scattered over the globe. It has picked one battlefield and threatens to pick others impossibly removed from our sources of supply. It has not contained Communism. By our methods of opposition it has solidified Communism" The only sensible course was to remove Americans from Korea and from Europe. If communism triumphed in Western Europe, it would have a short-lived triumph; eventually Europe would follow the path of Yugoslavia and break loose from Soviet control. Whatever might happen in the Old World, Kennedy told his audience, America's concerns should be the problems in its own hemisphere.²

Despite the rhetoric of these elder statesmen, the "Great Debate" began auspiciously enough for the Administration. Acheson thought that it opened in a deceptively amicable atmosphere when the House and Senate Foreign Affairs Committees met on 22 December to hear him report the results of the Brussels conference. The meeting went well. He spoke of Eisenhower's new responsibilities, of a new Defense Production Board to advance the industrial capacities of the Allies, and of the apparent consensus about Germany's future role in the defense of Europe. "Nothing sweetens relations between the Secretary and his guardian committees like a little success."³

The amicability did not last long. Robert A. Taft, 1 of the 13 Senators who had voted against the North Atlantic Treaty, raised his voice in the Senate on 5 January 1951. While he did not call for abandonment of Europe, he argued against both military assistance and the dispatch of troops. Assumption of the new role in NATO would enmesh the United States in the toils of Europe and increase presidential power. Commitment of American troops should follow, not precede, development of Europe's ability to defend itself, and the numbers should be a token in keeping with "the general spirit of the Atlantic Pact." Otherwise the United States might incite the Russians to war. In the meantime, Taft said, the President had no authority to send troops to Europe without congressional approval.⁴ Having unburdened himself of his feelings that excessive presidential power and commitments to Europe were harmful to the national warfare, Taft finally voted for the assignment of troops, since congressional approval would be required for specific numbers at specific times in the future.

Dislike of executive domination obviously held a higher priority in Taft's thinking than worry over American membership in NATO. Much of this spirit pervaded the speeches of other critics in the Senate. Presumably the danger of provoking the Soviets to war would be diminished if the dispatch of troops would be undertaken by congressional rather than presidential authority. The Wherry Amendment of 8 January 1951, providing that "no ground forces of the United States should be assigned duties in the European area for the purposes of the North Atlantic Treaty pending the formation of a policy with respect thereto by the Congress," was the most dramatic attempt to limit the President's power at this time.⁵ General Eisenhower's report on his tour of NATO capitals on 23 January provided the occasion for a joint session of the Senate Committees on Foreign Relations and Armed Services to examine Wherry's call for hearings on the question. It took up most of the month of February.

Military spokesmen carried the bulk of the Administration's case before the committees. Eisenhower addressed himself to the measures European

countries were taking to arm themselves, while Secretary of Defense Marshall emphasized that NATO was providing exactly what Congress had demanded—a plan for defense of the North Atlantic area. Whether the plan could succeed depended on support from the United States. Eisenhower and his staff could be only as effective as the means they had to execute their mission. Assuming the offensive, Marshall emphasized that the abilities of the Supreme Allied Commander were beyond question, and that the intentions of Congress were the nub of the problem.⁶ When Senator William F. Knowland asked why the pledge of assistance made in the treaty did not suffice as an earnest of the U.S. commitment, Marshall replied that conditions had changed since 1949: “Now we have to meet the situation where they are under duress, are under a continuous threat and a very terrible threat”⁷ More was needed after the Communist action in Korea. Mindful of the overwhelming share assumed by the United States in the current war, Knowland suggested that U.S. soldiers be limited to a specific percentage of the total manpower needed. Marshall replied that such a restriction could hamper military movements. “Korea happened to be right close to Japan, where we already had divisions overseas on the ground. The conditions are quite different from those in Europe.”⁸

Acheson reinforced Marshall’s argument. He pointed out the diminishing usefulness of retaliatory airpower as a deterrent to Soviet aggression. Although it still had value, he urged that the United States use the time available to build its ground forces and those of its allies. The balanced collective force was a matter of immediate urgency, since it would prevent repetition of the Korean experience. That invasion had awakened Americans and Europeans to more than just “the possibility of bold, naked aggression by the Soviet Union itself . . . we have seen recent examples of another form of Communist aggression—disguised aggression through a satellite.”⁹

The arguments in the Senate seesawed back and forth. The Korean example registered with Senators who otherwise would not have been inclined to let the issue of executive power go unchallenged. But the latter was the main issue, according to Senator Bourke B. Hickenlooper, who dismissed Acheson’s claims that court decisions upholding presidential authority to send troops abroad represented “an unbroken practice from the very first days of the Republic.”¹⁰ Hickenlooper scored on the inconsistency between the Secretary’s promises at the hearings on the North Atlantic Treaty in 1949 and his present position. When the Senator had asked if Article 3 of that treaty would oblige the United States to provide troops to help develop the Allies’ capabilities to resist aggression, Acheson in 1949 had given a clear, absolute “No.” The only response the Secretary could make in 1951 was that he had not changed his view. Conditions had changed, making troops necessary irrespective of the claims of Article 3.¹¹

Acheson found some comfort in the Republican ranks, notably support from Senator Henry Cabot Lodge, Jr., and Governor Thomas E. Dewey of New York. The latter cited the time limit of 2 February, which Wherry had placed in his resolution, as congressional meddling in the delicate area of executive prerogative. There was a major distinction, Dewey insisted, between a congressional voice in provision of funds for military aid to the Alliance and sending soldiers to the European theater. The fact that the deadline date had been passed 3 weeks before the time he was now testifying indicated the absurdity of having a deliberative body attempt to perform functions of the executive.¹²

Wherry's resolution failed. So did Taft's effort to postpone the dispatch of troops until the Allies had reached agreement on the nature of their international army. The upshot of the Senate hearings was a resolution approving Eisenhower's appointment and accepting the addition of four American divisions to his command. The resolution also required that no more than the four divisions be sent "without further Congressional approval, and that the Joint Chiefs of Staff certify that the allies were making appropriate progress in collective defense before soldiers left the United States."¹³

These strings attached to troop assignment suggested that the Administration's battle with Congress had not ended. In fact, a case could be made that Congress had won its fight to limit the executive prerogative.¹⁴ But what was noteworthy about the outcome of the "Great Debate" was not the restraints on the President, or suspicions about NATO's value, or anger over delay in securing German contributions, but the fact that all these factors weighed so lightly in the final balance. Despite continuing reverses in Korea, the Senate helped the Administration endorse the Atlantic alliance and change the course of NATO. It was a victory for Marshall's and Eisenhower's European orientation over MacArthur's Asia-first preference. "After the winter outburst of 1950-51," Gaddis Smith observed, "the Truman administration did not again suffer a formidable Congressional attack on its European objectives."¹⁵

SHAPE and the MTDP

The results of the debate might have been different had Congress known of the future of the European army which the French and Germans were presumably fashioning from their conference in February 1951. This was to be the major test of Europe's worthiness of American aid. While France ultimately failed it, the examination process took so much time that the United States could not withdraw from its commitment. The most it could do to punish France for its failure to keep its promises was to threaten a bilateral German-American alliance in 1954, which was not credible to any of the parties.

But in 1951 American demands on Europe were apparently being accepted. The European Defense Community (EDC) Treaty, signed on 27 May 1952, derived from Franco-German deliberations. At that time the United States, Britain, and France concluded a Contractual Agreement with West Germany, ending the occupation. The treaty called for 12 German divisions as part of an army of initially 43 national divisions, grouped in an international army corps under the general supervision of the Supreme Allied Commander.¹⁶ Between 1952 and 1954 there followed slowly and painfully the formulation of treaty terms, protocols of British and American relations with the EDC, and revisions, amendments, interpretations, and guarantees before the treaty was ratified. Eventually, on 30 August 1954 the French National Assembly ended debate on ratification of the EDC and scuttled the Community.

Whether or not France's actions exposed the Community as a sham from its beginnings, the experience left a positive mark on Germany's relations with its neighbors. Europe would not have accepted Germany as a NATO partner in 1951; it was prepared to do so in 1954 after the failure of the EDC. How much the educational campaign of the preceding 3 years helped passage of the imaginative Eden proposals associating Germany with NATO through the

Western European Union is impossible to say. After the Korean War began, the status of the Federal Republic underwent visible change. It was no longer an enemy under Allied occupation but a full member of the Council of Europe. The high commissioners became ambassadors as Germany achieved much of the acceptance abroad that Adenauer had hoped would come from his commitment to the West. EDC may have had only a shadow life for 3 years, but it served to stimulate a solution to the German problem which Europeans, still traumatized by World War II, might not have been able to manage earlier.

Americans, like Europeans, had no immediate expectation of German rearmament, no matter how fast the EDC might develop. Congressional inquiries during the debate over U.S. troops for Europe contained surprisingly little examination of the Plevin Plan or of the Spofford compromise or of plans for the European army. Europeans wanted assurance of U.S. troops on their continent; Americans wanted assurance that all European resources, including German, would be devoted to the common defense. The EDC seemed to serve all the Allies.

But Germany was not the only area of Europe affected by the development of a NATO headquarters in Paris. New operational commands naturally focused attention on the southeastern flank of NATO as well as its heartland. The Balkan flank, indeed, was easier to handle politically, and the immediate availability of 25 Greek and Turkish divisions had beneficial psychic effects on the thin force levels of Western Europe. Although the North Atlantic Council had rejected Greek and Turkish applications for membership in September 1950, the new military structure of NATO in February 1952 made the Allies more receptive.

The combination of an elaborate new command in Paris, to be joined soon, it was hoped, by German and Balkan troops, with the physical presence in Europe of American troops under an American commander, diverted the European allies from the demands of the MTDP. Given the potential damage to their economies from expanded defense spending, and given the political unpopularity of longer terms of compulsory military service among most European countries, the Allies were satisfied to turn over the main burden of defense to American leadership in Paris.

The United States did not share this sentiment. Successful deterrence of a Soviet ground attack still rested on the assumption that the goals of the MTDP would be met. The estimate in 1951 was that a force of some 100 divisions would be required to defend the Continent. Even with six well-armed American divisions the gap remained enormous. The addition of 25 Greek and Turkish divisions on the southeastern flank might swell the numbers on paper, but they did little to protect the heart of Western Europe, where France, Britain, and the Low Countries provided relatively few troops and Germany none, pending signing and ratification of the EDC. Even as Eisenhower was surveying his new command in January 1951, pessimism over the prospect of meeting defense goals led W. Stuart Symington, Chairman, NSRB, to raise with the NSC the question whether it was worth NATO's time and energy to build ground forces when the end product seemed so uncertain. He speculated about the wisdom of substituting reliance on strategic air defense programs instead of ground forces, exploiting the West's temporary atomic advantage "if the Soviets moved aggressively in defiance of NATO terms."¹⁷

But this was not the dominant note in the American response, even if it occasionally crept into discourse among the Allies. For the most part, the

**10. TOTAL DEFENSE EXPENDITURES OF
NATO COUNTRIES, 1949-1953
(as reported by July 1954)**

Country	Currency Unit (in millions)	1949	1950	1951	1952	1953
Belgium	Million Bel. Frs.	7,653	8,256	13,387	20,029	19,901
Canada	Million Can. \$	372	495	1,220	1,875	1,960
Denmark	Million Dan. Kroner	360	359	475	676	889
France	Milliard Fr. Frs.	479	559	881	1,297	1,451
Greece	Million Drachmae	1,630	1,971	3,345	2,470	2,767
Italy	Milliard Lire	301	353	457	521	480
Luxembourg	Million Lux. Frs.	112	170	264	436	489
Netherlands	Million Guilders	680	901	1,060	1,253	1,330
Norway	Million Nor. Kroner	370	357	572	831	1,067
Portugal	Million Escudos	1,436	1,530	1,565	1,691	1,975
Turkey	Million Lire	721	693	763	860	1,080
United Kingdom	Million £ Sterling	779	849	1,149	1,561	1,689
United States	Million US \$	13,300	14,300	33,216	47,671	49,734
Area						
NATO Europe	Million US Dollar equivalents	4,831	5,413	7,605	10,312	11,227
NATO North America	Million Dollars	13,672	14,795	34,436	49,546	51,694
TOTAL NATO	Million US Dollar equivalents	18,503	20,208	42,041	59,798*	62,773*

NOTE: These figures are on the basis of the NATO definition of defense expenditures, and represent actual payment made during the calendar year. They may differ considerably from the amounts given in national budgets, which frequently relate to budgetary classifications differing more or less widely from the NATO definition, and which in some countries include substantial amounts which may be carried over for actual expenditures in subsequent years, in accordance with varying national budgetary practices. The figures are not limited to expenditures for the support of NATO forces, but include other defense expenditures as well.

Figures for the United States and Canada include expenditures for the procurement of military equipment to be furnished as end-item aid to European NATO countries. Figures for European NATO countries do not include any allowance for the value of this equipment.

Economic and defense support aid is not included in the defense expenditures of the United States. The national currency counterpart of U.S. economic and defense aid, to the extent used for defense purposes, is included in the defense expenditures of the recipient countries.

*Expenditures financed from U.S. Special Military Support are included in the figures for both the United States and France. These amount to 60 million dollars (21 milliard French francs) in 1952 and 148 million dollars (52 milliard French francs) in 1953. The "TOTAL NATO" figures have been adjusted to eliminate double counting of these amounts.

Source: Lord Ismay, Secretary General of NATO,
NATO: *The First Five Years, 1949-1954*, p. 111.

United States kept aloft the objectives of the MTDP as the continuing basis for programming military and related economic assistance to Europe. And optimists could cite some encouraging figures. Ten billion dollars had been programmed in end items for delivery in fiscal year 1952.¹⁸ Military items in significant quantity included tanks, minesweepers, aircraft, rockets, and

machine guns as well as ambulances, quartermaster equipment, and walkie-talkies.¹⁹ Official confidence belied the fact that as of 30 April 1951, only 53 percent of material programmed in fiscal year 1950, and 2 percent in fiscal year 1951, had been shipped to their destinations.²⁰ Given the problems involved—the production, procurement, and logistics of military assistance, made all the more difficult by the Korean War—the record was in fact creditable, even if politically unacceptable.

Fortunately, the removal of an immediate prospect for war in Europe compensated momentarily for the apparent lag in deliveries. The Policy Planning Staff in October 1951 was able to take comfort in a forecast for stability in 1953 which would give the West sufficient time to deliver 85 percent of the production program. Information from the Defense Department suggested that the total value of hard goods and construction facilities in military assistance would reach \$25 billion by the end of fiscal year 1952, \$37 billion in fiscal year 1953, and \$42 billion in fiscal year 1954. Defense further noted that “. . . all deliveries to NATO countries for which financing will have been provided through fiscal year 1952 will be completed by January 1953.”²¹ Paul Nitze, Director of the Policy Planning Staff, was convinced that the rising rate of delivery of military end items would have an important effect on the beneficiaries’ decisions to improve their defense efforts.²²

But impressive as the rising curve of deliveries was in 1951, the total figure projected was still insufficient for NATO’s needs. Those needs, spread over 4 years from the summer of 1950 to the end of fiscal year 1954, were estimated at \$72 billion—\$40 billion in materiel and \$32 billion in other costs—higher than NSC 68/3 predicted. So even if deliveries caught up with the original leadtimes, military assistance for fiscal years 1953 and 1954 would not be enough to meet the MTDP. A deficit of \$20–\$25 billion would have to be borne by the Alliance.

Europe’s record in promoting defense production provided a sharp contrast with its progress in developing civilian economies. The GNP for all NATO European countries, including Germany, had risen from \$126 billion in fiscal year 1951 to \$133 billion in fiscal year 1952; the Marshall Plan goals had been more than exceeded as Europe’s economy boomed. Such was not the case with the growth of military production. Even when their efforts were combined with U.S. MDAP deliveries of military equipment, Europe accomplished roughly only 30 percent of the estimated total 4-year costs of the MTDP. Acknowledging a deficit for fiscal years 1953 and 1954 of \$44.4 billion, toward which some \$20.8 billion would be secured from U.S. contributions, ISAC in October 1951 left \$24.7 billion for the Europeans to provide.²⁴

It seemed doubtful if Europe would manage to meet its share of the cost, and it was equally doubtful if Congress, anxious to reduce economic aid even when tied to military objectives, would do more than it had signaled through the budget of the new Mutual Security Agency. Europe had powerful inhibitions against responding to the American case; threats of inflation and shortage of raw materials joined with fears of hostile reactions from the left in many NATO countries. Underlying all these considerations was a lack of the sense of urgency that had been felt in the summer of 1950. Hence, there was a reluctance to take the first step and create an instrument to expose the military potential of each country by revealing in full the details of its economy which in turn would permit a way of equitably dividing the burden among those best able to bear it. The European Payments Union, while useful for facilitating

transfer of currencies, did not generate the investment or sacrifice that would produce more currency. The problem was no longer a shortage of foreign exchange.²⁵ And the various costing groups, along with the Financial and Economic Board, had failed to extract the information needed.

Congressional reaction to the impasse made clear the terms of U.S. support in the future. If aid was to continue, Europe would have to do more, and do it more economically than in the past. This meant efforts in every area—German collaboration, base rights for U.S. forces, an increase in the numbers of troops, and expansion of military production. The new Mutual Security program fashioned in the summer of 1951 was a concrete expression of congressional discontent with the current posture of NATO. As Senator Theodore F. Green, chairman of a Senate subcommittee investigating the situation in Europe, pointed out, Europe had achieved its recovery by means of the Marshall Plan, and so

in the future economic aid is to be primarily for the purpose of assisting friendly countries to strengthen their individual and collective defenses. This is our main purpose in the United States. We find it necessary to give up plans for domestic economic development and to concentrate on building our defenses. We expect our allies, within the limit of their capacities, to do no less.²⁶

In the future, such economic aid as would be granted was to be mainly geared to defense needs. The nature of military aid was changing also. The bulk of assistance was no longer to be end items offered from surplus American stocks at home or abroad; they had been exhausted. Nor was it to be products exclusively of U.S. plants; domestic military needs demanded most of this category. Senator Green's subcommittee suggested instead that counterpart funds be applied for direct military as well as for industrial projects relating to rearmament.²⁷ Even more important, the subcommittee recommended off-shore production, the letting of contracts for military goods directly to European factories. This recommendation represented a significant shift from the thinking of 1949, when the Additional Military Production (AMP) program had been the extent to which Congress would go in stimulating foreign production.

The AMP program had been a minor function in the early days of the MDAP and had been suspect even after the Korean War as too insignificant to serve as a stimulus or as "merely another method of financing projects desired by" the NATO partners.²⁸ It was now a key to Europe's defense, as European factories acquired tools to perform the task, and as monies up to \$500 million were available in counterpart funds to accelerate the program. ECA believed that it could advise on the general economic impact of the shift of manufactures and that it could also be "in position to provide assistance in suggesting suitable plants within NATO countries and providing information on procurement procedures, raw material requirements and availabilities, supply assistance, labor problems, etc."²⁹

To accommodate the changed circumstances of military assistance a new administrative agency was needed, one that would provide a vigorous "backstopping setup at home," as General Eisenhower put it, in which State, Defense, and ECA would participate as in the past in making policy but led by a figure of Cabinet stature who would be "in a sense an arbiter who will resolve

questions where there is inter-Departmental and agency disagreement.”³⁰ That person was to be W. Averell Harriman as Director for Mutual Security.

From ISAC to DMS

Long before the Director for Mutual Security was established in October 1951, it was apparent that the ISAC, under State Department leadership, would be only a stopgap. More than the prospective termination of the Marshall Plan program accounted for ISAC's transitional character. Congressional concern for a unified foreign aid bill that would have the effect of subordinating all assistance to military imperatives had been manifest even as ISAC became operative in December 1950. The “Great Debate” in the following month only underscored the unpopularity of the State Department with Congress and accelerated the pace of change.

While the Defense representatives in the MAP were well aware of the currents flowing from Capitol Hill, they were not sure they would flow into a channel that would enhance Defense authority over military aid. An independent administrator, freed from both Defense and State authority, might be placed at the head of a new agency. This consideration governed Defense behavior at interdepartmental conferences and accounted for the vigor with which its representatives expressed themselves on the importance of keeping the military end item program separate from the military support or economic aspects of the new program. Any deviation from this principle could open the way for indiscriminate transfer of military assistance for economic purposes, thereby delaying implementation of the program and generating suspicion in the public mind that ECA was using the MDAP to shield its own activities.³¹ Such possibilities fostered a spirit of cooperation between State and Defense that might not have been otherwise present in 1951.

But this harmony was evident only when discussion turned on the establishment of an agency to succeed ISAC. As long as ISAC was alive and State was in control, friction was inevitable, particularly in debates over the merits of a single authorization for military and economic aid in Title I of the projected FY 1952 bill.³² The Department of Defense took a strong negative stand on this issue, well expressed by Secretary of the Navy Dan Kimball on 29 March, when he insisted that the military program should have a “clear and unequivocal priority” over economic aid, and that the latter when applied to Europe should be directed primarily toward stimulating the production of military equipment in Europe.³³

Involved was the power of the Department of State through the Chairman of ISAC to control the distribution of both military and economic aid. A presidential directive of 5 April 1951 sharpened the issue by granting authority to the Secretary of State to make broad decisions based upon ISAC's recommendations to shift funds from military to economic purposes.³⁴ Defense officials made no secret of their dislike of the President's letter. They resented its tone as well as its content. Their sensibilities were wounded by the fact that the letter was addressed to the Secretary of State and the MSA Administrator but not to the Secretary of Defense. Aside from damaging their dignity, the letter implied that the relationship between State and Defense would be radically changed by the grant of new powers to agents of the Secretary of State. If carried to its logical conclusion, Defense would be in the position of securing funds for military functions and then accepting State's judgment about their dis-

bursement. So stated Col. George A. Lincoln, USA, a special assistant to the Secretary of Defense on leave from the faculty at West Point to help prepare the fiscal year 1952 MAP.³⁵

Despite the tensions it created, Lincoln made it plain that the President's letter was not the last word on the subject. First, the funds allocated to the discretion of the Secretary of State would not exceed 5 percent of the total for Title I.³⁶ More significantly, Lincoln and his colleagues counted on the temper of Congress to ensure moderation on the part of the State Department.³⁷ Their estimate was accurate. In fact, Lincoln feared that they might be opening Pandora's box in drawing the attention of Congress to State's role in foreign aid. Once aroused, it could go too far in redressing the balance of power among the three agencies. Chairman James P. Richards of the House Committee on Foreign Affairs claimed that his colleagues wanted to have all titles identified by function rather than by area, so that Congress might vote separately for or against MDAP, ECA, or Point Four. This would mean that Congressmen could discriminate easily against all but military forms of aid, a position that went beyond the wishes of the Defense Department.³⁸

In the main, however, the direction in which Congress was pushing its investigation of foreign aid programs harmonized with the Defense position. The diminution of the role of the ECA and its ultimate disappearance fitted the Defense contention that economic aid must be primarily a support of the military production program. It was unlikely in this circumstance that State could maintain for long its preeminence over an integrated military support program.

The official position of the State Department, as expressed by Thomas D. Cabot, Director for International Security Affairs and Chairman of ISAC, was to accept the idea of combining military and economic aid into one bill but to have both forms of aid contained within the old framework of ISAC. He urged the retention of ISAC as a coordinating agent rather than the location of program control under one of the operational departments. In considerable detail, he listed disadvantages connected with the latter move. Cabot considered equally undesirable the creation of a new agency which would tend to usurp the function of the State Department and to compromise the authority of ambassadors in the MAP. Coordination of the varied activities under foreign aid had to be the responsibility of the State Department at the point where the economic and military aid meshed.³⁹

Defense reactions to this proposal were ambiguous. Although Defense appreciated congressional resentment of the State Department and the tendency of Congress to favor a military over an economic aid program, it was disturbed at the possibility that the legislators might substitute a new and stronger institution which might interfere with the work of the armed Services. For this reason, they said nothing at the hearings to encourage congressional attempts to place Defense in charge of economic aid. When Senator Owen Brewster asked if the military should not administer a program whose contents were 90 percent military, General Kibler responded that an entirely new staffing procedure would be necessary if Defense had to assume responsibility for all kinds of aid in addition to its concerns with procurement, selection, and delivery of items.⁴⁰

Opinions differed in the two Houses of Congress over the precise form of reorganization, but both Houses agreed that the authority of the State Department should be curtailed. Senator Harry P. Cain, a member of a

subcommittee that had gone to Paris in July, found friction between military and ECA officials and ambassadors.⁴¹ Hostility toward State Department authority was translated into proposals of Senators H. Alexander Smith of the Foreign Relations Committee and Leverett Saltonstall of the Armed Services Committee to establish a new agency separate from and superior to the State Department in the handling of foreign aid matters.⁴²

The Senate finally settled for coordination of foreign aid activities directly in the Executive Office of the President. Administration of military, economic, and technical assistance would remain, however, with Defense, ECA, and State, respectively. In turning down the Smith and Saltonstall amendments, the Foreign Relations Committee acted from the conviction that the President, who had ultimate responsibility for effective operation of all aid programs, should also have authority to allocate funds to the various agencies in the program. Such an arrangement would guarantee that the military aid program would be administered by the Department of Defense and would remove the Department of State from its role in ISAC. To guard against the possibility that an operating agency might be able to judge a dispute to which it was a party, the Committee stipulated that no officer of State, Defense, or ECA could serve on the new coordinating body in the Executive Office.⁴³

Although the Administration would have settled for the Senate's recommendations as the least disruptive possible change, this plan did not go unchallenged. The House was determined to create a separate agency for overall coordination of foreign aid under an independent director of operations rather than establish a policy coordinator in the Executive Office. Under the House plan, an Administrator for Mutual Security would have powers and duties previously distributed among the chief officers of ECA, the Institute of Inter-American Affairs, and the Point Four program. He would have charge of economic assistance in Europe and economic and technical assistance in underdeveloped areas, and he would have a substantial voice in military assistance. With respect to the latter, the House report recommended that the Secretary of Defense retain authority for determining requirements, procurement, and priorities and supervise training and the movement and delivery of end items. On the other hand, it recommended that the Secretary of Defense be removed from the policy side of the Mutual Security Program.⁴⁴

The differences between the House and Senate bills were resolved in conference by a compromise heavily weighted in favor of the House approach. The conference report called for a Director for Mutual Security in the Executive Office of the President charged with general direction over the Mutual Security Program and specific direction of the Mutual Security Agency, the successor to the ECA. The Director would be a member of the NSC and the National Advisory Council on International Monetary and Financial Problems. Some of the sting was removed from the House recommendations by granting the Director general rather than specific supervisory powers over areas outside MSA proper. The Point Four program, for example, remained under the nominal jurisdiction of the Secretary of State.⁴⁵

Defense representatives should have been gratified over the changes in the administration of foreign aid. They had a clear advantage in the running competition with State for control over the military aspects of the program. The old system of State domination had ended. Moreover, Congress had accepted a thesis long urged by Defense, namely, that economic assistance, having brought about the recovery of Europe beyond its prewar levels of prosperity,

should now be in the service of military defense.⁴⁶ The impending demise of ECA was a logical concomitant to this reasoning.

Other actions associated with the Mutual Security Program revealed congressional sympathy for Defense views on restricting East-West trade relations.⁴⁷ Defense requests for rigid control of shipments to the Soviet bloc and for a stricter definition of strategic materials were recognized in the Mutual Defense Assistance Control Act of 1951 (the Battle Act), signed on 26 October, little more than 2 weeks after the Mutual Security Act became law. The Battle Act stipulated that military, economic, and financial assistance under the Mutual Security Program would be canceled if recipient nations did not comply with the U.S. embargo on the shipment of enumerated items to nations threatening its national security. It was the responsibility of the Mutual Security Administrator to carry out the provisions of the act. This arrangement did not fully meet the wishes of the Defense Department, since it permitted a broad construction of exceptions and since items outside the enumerated list remained free to find their way to the Soviet bloc. Nevertheless, the act upheld a Defense rather than a State view of the issue.

The Mutual Security Act also made other changes that reflected long-standing Defense recommendations. First, the amount of excess equipment which the Department might allocate for military aid was raised to a total of \$1 billion, compared with \$450 million in the Mutual Defense Assistance Act of 1949.⁴⁸ Second, the military assistance funds authorized in Title I were no longer restricted to NATO countries but could be applied to any country of Europe "which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States"⁴⁹ Furthermore, in arranging for the transfer of funds to nations outside the NATO area, or to European nations outside NATO, the President was no longer required to consult first with other NATO members, as under the 1950 amendments to the Mutual Defense Assistance Act of 1949.⁵⁰ This was a step toward freeing military aid from the interference of NATO allies, a step that the Department of State as well as Department of Defense had long been seeking.

Despite these advantages, Defense was wary of the final product.⁵¹ The Mutual Security Act contained changes in accustomed procedures which could impair Defense's ability to administer military assistance effectively; and the presence of a Director for Mutual Security who would administer one of the agencies that he supervised could pose a direct threat to Defense responsibility.

W. Averell Harriman did nothing to allay Defense apprehensions. Accustomed to authority and well versed in the workings of interagency conflict, the distinguished new Director intended to exercise his authority to allocate all funds. While he recognized the responsibility of the Secretary of Defense for the development of military assistance, he expected that there would be no requests to the Bureau of the Budget for allocations of funds from any of the agencies until he had approved them as the law required. Harriman's aim was to have the comptroller in the Office of the Mutual Security Director submit a single request to the Bureau of the Budget for all programs—military, economic, and technical aid—as soon as he occupied the office.⁵²

Speaking for Defense, Frank C. Nash, Assistant to the Secretary for International Security Affairs, objected that the Director's interposition vio-

lated Section 506 (a) of the Mutual Security Act, by which the Secretary of Defense was made explicitly responsible for determining end item requirements. Nash felt that Harriman should be informed that the new administrative arrangement was intended to perform the same functions that State had managed for ISA. "Program review was never a problem," Nash noted, "when it was done in State, and we would hope that this continues to be true."⁵³ While the accuracy of Nash's memories of recent harmony between State and Defense may be open to question, new Defense concerns were accurate enough. They were all the more annoying because they came at a time when military assistance was recognized by Congress to be preeminent over all other forms of aid. Moreover, Harriman delegated powers to John H. Ohly, a veteran of ISAC, who, according to a widely circulated article in the *New York Times*, ruled the MSA from an office in the State Department while the Director was attending to special NATO duties in Paris in the fall of 1951. Ohly exercised his administrative control through a newly established Mutual Assistance Advisory Committee (MAAC), which appeared to Defense representatives to be the discredited ISAC under a different name.⁵⁴ He acted on behalf of Harriman as Director for Mutual Security, not merely in the role of head of the MSA.⁵⁵ The MAAC, although an advisory body, made command decisions when agreement could not be reached, a practice which disturbed the MSA as much as it did Defense representatives.

The daily frustrations that accompanied the establishment of the new Mutual Security Program, while genuine and frequent, tended to conceal from the Defense Department two significant changes which had occurred in the administration of foreign military assistance since its modest beginnings in 1949. First, from a small-scale program to help make up the deficiencies of European armies, it had burgeoned into a major factor in the formation of a vast military machine for NATO which reduced economic aid to a minor partner in the enterprise. Second, the controls which State had exercised so firmly in the early stages of foreign aid programs gradually faded as the nature and purpose of military assistance changed. Although the Director for Mutual Security replaced the functions of State, the control over Defense functions was more apparent than real. The primary purpose of aid was military, and eventually the voice of the military was bound to be heard above the others, in Congress and in the Alliance.

The Temporary Council Committee

Harriman's accession to authority over all phases of foreign assistance coincided with his assumption of a temporary special function which the council at its Ottawa meeting asked him and a few select colleagues to perform. Just as the Mutual Security Program was intended to galvanize U.S. efforts abroad, so the Temporary Council Committee (TCC) emerging from the Ottawa meeting of the North Atlantic Council in September was intended to make the European efforts more effective. It was established to accomplish what the FEB had signally failed to do, namely, come up with a financial plan for NATO that would permit fulfillment of the MTDP by 1954.⁵⁶ The TCC intended to determine exactly the economic resources of each member and to recommend how they might be used for the common welfare. Paul Porter, Acting Special Representative for the ECA in Europe, reported that Europeans

recognized uneasily that defense requirements meant greater efforts from them and that they could manage greater sacrifices than they had made in the past, but that, when pressed on the matter, they would observe that the United States was better equipped to solve these problems and that economic reconstruction—"for which appetite is apparently insatiable"—must be a prerequisite to increases in defense budgets.⁵⁷ It was this attitude that the TCC, particularly its U.S. component, hoped to combat. The United States contributed in ways unappreciated by the Allies, observed Porter. "Europeans must be made to realize that all U.S. contributions are subtractions from U.S. resources, and that end items received via offshore procurement or from the U.S. are not just gravy, to be added unconditionally to 'normal' aid whenever and wherever they can be obtained."⁵⁸

At the same time, the TCC sought a means to accomplish these objectives without pushing Europe so hard that Communist sabotage or civilian despair over inflation would counteract new measures. General Bradley expressed his concern on behalf of the JCS after a visit to Europe in June.⁵⁹ Ambassador Katz also saw the importance of overcoming the negative image of an alliance that was equated with "castor oil." The goals had to be realistic and the expected results optimistically cast. The leaders had not been helpful in projecting a future in which the expansion of the standard of living would follow from increased security which would be the result of an intensive defense effort.⁶⁰

The problem immediately facing the executive group of the TCC—W. Averell Harriman, Sir Edmund Plowden, and Jean Monnet, dubbed the "Three Wise Men"—was to find a way to act on the information provided by the DPB. DPB had shown that the capacity for expansion existed in Europe. Who was to pay for the expansion and how it was to be paid were the overriding considerations of the TCC. The Committee's formal charge was to reconcile "the requirements of fulfilling a militarily acceptable NATO plan for defense of Western Europe and the realistic politico-economic capabilities of the member countries."⁶¹ For the first time, NATO's military needs, economic capabilities, and political limitations were to be examined together by a select group that would provide concrete solutions. The timing of the Committee was geared to a common recognition that Europe's cooperation would have a beneficial effect on congressional attitudes toward future foreign aid.⁶²

Between 10 October and 1 November the TCC, particularly its Screening and Costing Staff, examined screened costs of current programs and forces designed to meet MTDP needs and then assessed military risks if defense efforts were not increased.⁶³ Some of the actions were familiar. The FEB was requested to prepare preliminary analyses of Europe's economic capabilities through fiscal year 1954. Less familiar was the plan to question the possible effects of a level of defense expenditures 10 percent higher than in fiscal year 1952 and 20 percent higher than then anticipated for fiscal year 1953. Not every country was expected to bare its economy to the TCC. Those members who had already contributed a high level of expenditure, such as the United States, with 14 percent of its GNP devoted to defense, would be exempted from detailed examination.⁶⁴ That only the Canadian delegate to the TCC submitted formal objections to the Standing Group's proposals on national contributions was a tribute to the sense of urgency generated at the meetings.⁶⁵

In anticipation of TCC needs, the President directed the moribund ISAC to develop and submit to the Director of the Budget by 12 October an estimate of the minimum amount of dollar assistance, exclusive of U.S.-produced end

items, needed to extract maximal contributions from each of the Title I countries.⁶⁶ Acting Director for Mutual Security Ohly further wanted ISAC to study dollar needs of Western European countries to complete a fully coordinated plan that would take into account offshore procurement and U.S. financing of common-use items such as infrastructure.⁶⁷

Although a position paper in the State Department rejoiced that the TCC was moving NATO toward a multilaterally agreed military program, euphoria was restrained among ECA representatives.⁶⁸ Porter noted that despite all the talk of a multilateral approach to burdensharing stimulated by the work of the Three Wise Men, the U.S. position in the TCC continued to reflect bilateral procedures. Harriman concurred. He observed that the United States had taken the lead in creating a working group of 12 to recommend equitable distribution of the defense program for fiscal year 1952, but then had initiated negotiations with France and Italy bilaterally to determine the amount of aid they would receive. Use bilateralism sparingly, he advised, and rely instead on the TCC and FEB for major determinations.⁶⁹

Defense officials, predictably, reacted strongly against Harriman's and Porter's advice. Secretary of Defense Lovett and Roger Ernst, Assistant Director, Office of North Atlantic Treaty Affairs, in particular felt that it would be a mistake if an impression circulated that the TCC governed U.S. decisions. Moreover, such a policy would place the United States in the position of defending the size of its own defense contributions to the beneficiaries. The issue, indeed, was neither multilateralism nor bilateralism but unilateralism.⁷⁰ Harriman ultimately qualified his recommendation, noting that it was not feasible to use the FEB when decisions were needed immediately. Only bilateral arrangements could serve at the moment, particularly for countries whose fiscal years began in January.⁷¹

The European partners displayed considerable dissatisfaction with the direction the TCC was taking. The continuing emphasis on bilateralism made all the more irritating the U.S. intention to refuse NATO inspection of its resources. Nor were they impressed with the fact that 14 percent of the U.S. GNP was devoted to defense purposes; the United States could afford more. As Ismay put it diplomatically:

It should be recorded for the sake of accuracy that not all member countries were happy about the TCC conclusions and that there was also a feeling, among some governments, that the defense capabilities of the larger members of the Alliance had not been explored with sufficient thoroughness.⁷²

Indeed, Belgium felt that a recommended 8 percent of its GNP was inequitable, and Italy felt it was being unfairly treated. As a postscript to this issue, even the country of one of the Wise Men ultimately rejected their conclusions. Although Monnet had accepted additional defense spending for France, the Cabinet defeated the recommendations.⁷³

If the overall reaction to the work of the TCC was positive rather than negative, Harriman's interposition with U.S. agencies was a significant factor. He verbalized what lesser officials in ECA, State, and Defense had sporadically recognized, namely, that the United States could afford to have a greater share of the GNP siphoned off to defense needs than the smaller partners. Appropriate recognition, he felt, should be given to the impressive achievement of European governments for having raised their contributions from \$4.5

billion, or 5 percent of the GNP, before the Korean War, to \$9 billion, or 8 percent of the GNP, for fiscal year 1952. Harriman observed that the average yearly income in the Western European countries was scarcely a third of that in the United States, so that diversion of resources would mean less food and clothing rather than simply some limitation on luxuries.⁷⁴

Harriman, in his capacity as Director for Mutual Security, exploited his new authority with Defense and State to appease European feelings. For example, Public Law 165, Section 101(b), permitted the President—or his deputy, the Director for Mutual Security—to transfer up to 10 percent of the total appropriations for Title I from military to economic assistance when he considered it necessary for the purposes of the act. Against the wishes of the JCS, Harriman requested the transfer of \$478 million under Section 101(b) to be added to the \$1,022 million already appropriated for Western Europe, including Greece, Turkey, Germany, Austria, and Yugoslavia. Much of the economic aid would take the form of commodities to be consumed directly in production, such as metals for military equipment and liquid fuel for military planes.⁷⁵ In light of the legal basis for the request and of the prestige attached to the TCC, General Bradley, Chairman of the JCS, accepted the thesis that the transfer would be justified from a military point of view if it could be proved that the shift of funds would result in greater individual contributions from each ally.⁷⁶

Defense had little choice but to make the best of the situation. Even before the TCC report had been completed, Frank Nash spoke of \$500 to \$750 million to be expended in offshore procurement, with a doubling of these sums for 1953.⁷⁷ In the meantime, the United States promised \$600 million to France in economic aid, half from mutual security funds and the balance in offshore dollar expenditures in France for airfield construction and other infrastructure uses. The United Kingdom, in turn, received \$300 million in aid for factories which otherwise would have turned from defense production to civilian exports because of deficiencies in the British balance of payments.⁷⁸ Thus, the new Mutual Security Agency became a device for stimulating defense production by its ability to move economic aid into rearmament channels.

Even if there had been no new structure to bring together and mesh economic and military aid, the two forms of assistance were increasingly intertwined by 1951. Such ancillary programs within the MDAP of 1949 as MAP and offshore procurement became major elements as surplus commodities were reduced.

In the light of competing needs for the U.S. military forces in Korea, military assistance for the European allies would have to come not from American stocks but from new production. It made sense that funds be used to develop the European arms industry to serve both Europe's own forces and American troops abroad. And to accomplish this successfully the United States would need to replace funds diverted from the civilian to the military part of a European country's economy. The changing conditions and needs of the Alliance frequently required that MDAP provide economic aid. The categorical differences between economic and military aid disappeared when offshore procurement was employed, in the words of John Ohly, to "do double duty: to provide recipients with added foreign exchange while at the same time providing for the production of munitions for inclusion in the end item program and for the stimulation of an indigenous war production industry."⁷⁹ Similarly, funds for machine tools or raw materials or even for the manufacture of clothing

and purchase of foodstuffs might have both civilian and military results which would tend to make economic assistance indistinguishable from military aid.

Offshore production, as Richard Bissell has noted, was a means of providing the European central banks with dollars to meet the full costs of items procured from European factories. This meant that the adverse impact of their production on the balance of payments would be fully cushioned, with additional dollar resources left over to offset the impact of domestically funded military procurement. The removal of the European balance of payments problem through foreign exchange, whether in dollars or in counterpart funds, permitted accelerated military production abroad without damage to the national economies. With unusual understatement, the *First Report to the Congress of the Mutual Security Program* predicted that "the offshore program will contribute to a more efficient use of Western Europe's resources and broaden its defense production bases."⁸⁰

Although the TCC could not provide more than an interim report at the Rome meeting of the NAC in November 1951, the direction of the Committee's thinking had become clear before December, when it issued its formal report. The prognosis was guardedly optimistic. The TCC claimed to have studied each member's defense effort and to have arrived consequently at an equitable figure which each of them might achieve on behalf of the common cause, ranging from 0 percent for Portugal and the United Kingdom to more than 40 percent over the figures Belgium originally had submitted to the TCC.⁸¹ Force requirements would be met if Europe could realize an overall increase in GNP of approximately 14 percent that would yield \$5.7 billion in defense expenditures over a 4-year period. The report assumed that European problems with manpower and raw materials would be solved, that inflation would be halted, and that the European Payments Union would function correctly. It also took into account offshore procurement by the United States, the beginnings of a German contribution, and full maintenance of U.S. military assistance end items at the value of \$18.6 billion. Even so, there would be a shortfall of more than \$6 billion to meet the full requirements of \$66.5 billion in 2½ years. The report did not make clear how this gap could be filled except by increased U.S. aid.⁸²

But the picture limned by the TCC was clear enough to be presented as a modest triumph before the NAC meeting at Lisbon in February 1952. That meeting was to represent the apex of NATO's military ambitions as the work of the past year seemed close to fruition. The report of the TCC received formal approval along with impressive force goals for NATO's armies, navies, and air forces.⁸³ Greece and Turkey were formally inducted into the organization, and high hopes were expressed for the completion of negotiations for the EDC. Since the Schuman Plan had been ratified on 13 December 1951, the EDC was expected to follow suit in the immediate future.

But it was the contribution of the TCC and the prestige of the Wise Men that made the collective euphoria temporarily credible. The TCC had worked fast and had worked effectively, with the result that its recommendations won general support at the time of issue. Even if the responses soon soured and the recommendations were not met, an aura of success remained with the enterprise. The idea of a collective self-examination continued in the form of the annual review. Moreover, the TCC addressed itself to an aspect of NATO concern that flourished in the next few years—the growth of NATO's infrastructure, a term derived from French railroads where it denoted embank-

ments, bridges, tunnels, and other supports necessary before track could be laid. NATO adopted it to describe all fixed installations needed to service modern armed forces, from airfields and signal communications systems to pipelines and fuel tanks.⁸⁴

The NATO infrastructure enjoyed a special advantage in its origins. Begun in 1950 under Western Union auspices, the program applied initially to the construction of one headquarters, 30 airfields, and about 34 signal communications projects, valued at 32 million in sterling. Most of the installations in this first slice were located in France and the Netherlands and were designed for the use of the Brussels Pact members who shared the costs. The United States and Canada joined in paying for the second slice when it became obvious in 1951 that Western Europe by itself could not manage to raise the 124.76 million pounds for 13 new airfields, extensions of 8 older fields, and 53 signal communications projects.⁸⁵ The United States, particularly the Defense Department, had been cautious when the matter of NATO support of infrastructure had been first discussed by the Council Deputies in March 1951.⁸⁶ Whether costs were to be paid according to ability to pay or according to use by a specific country remained an open question which was still not solved when the Council met in Ottawa 6 months later. Only in September at the Ottawa meetings were the United States and Canada involved specifically. SHAPE worked out at the beginning of 1952 a cost-sharing program for a third slice which consisted of 53 new airfields, 27 extensions to those already under construction, 10 war headquarters, and improvements of many communications facilities.⁸⁷ The TCC report underscored U.S. involvement in infrastructure by linking it to direct support of American troops in Europe who would be served by the new facilities.⁸⁸

Infrastructure along with the annual review and the establishment of a Secretary-General for NATO combined to make the Lisbon meeting appear as a victory of multilateralism over bilateralism, of integration over separatism. It was a moment of exhilaration when NATO members could promise themselves that before the end of 1952 there would be 50 divisions, 4,000 aircraft delivered, and at least a "strong naval force" ready, according to Lord Ismay, the first Secretary-General.⁸⁹ Acheson, rarely one to lose his head, was moved by the moment to tell the President: "We have something pretty close to a grand slam."⁹⁰ Notwithstanding the hyperbole of the language of Lisbon and the rapid dissipation of most of its promises, the meeting was a watershed for NATO.

By 1952 both U.S. aid and the organization it served had become more efficiently organized and had expanded in size and scope in a manner not anticipated in 1949. NATO moved from treaty of alliance to military organization, with a military headquarters in Paris, "the nerve centre," as Lord Ismay called it, "of the military organization controlling a defense line of 4000 miles, from the North Cape to the Caucasus."⁹¹ Similarly, the disparate elements in U.S. foreign aid—economic, military, and technological—coalesced in the Mutual Security Program under a Director for Mutual Security. Just as NATO's military mission overshadowed every other objective of the treaty, so the emphasis in U.S. assistance shifted from economic rehabilitation to the building of NATO's military strength. Economic assistance became formally yoked to the defense of Europe without jeopardizing the economic achievement of the past few years.

One measure of NATO's achievement was the disappearance of the need for a new Marshall Plan. Western Europe under NATO's aegis was ready for an economic resurgence. By the end of the decade the gross domestic product of member countries had surpassed that of the most prosperous prewar years. Another measure of success was the permanence of the many institutions established in the wake of the Korean War; the office of secretary-general, the SHAPE command, the custom of an annual review, and the institutionalization of NATO's infrastructure would perdure into the next generation. The system seemed to work, whether or not the specific figures of the Lisbon meeting were ever realized.

CHAPTER X

The Military Assistance Program and NATO

The status of both NATO and U.S. military assistance programs presented a paradox in 1952. Even allowing for the overblown rhetoric of its managers, a glow of success radiated from most parts of the Alliance. Demonstrable progress from the beginning of 1949 to the end of 1951 ranged from the lengthening of terms of military service in some countries to expanding the percentage of the GNP devoted to defense purposes in others, with an impressive growth in overall economic recovery in all the member nations. NATO had increased from 12 members to 14, with a fifteenth, the Federal Republic of Germany, waiting in the wings to be a member of the EDC. U.S. military assistance had been transformed from an instrument of moral support for the Allies into a program of massive military aid in dollars, in tools, and in weapons. If the MTDP of 1952 or of 1954 were to be realized, its success would follow from the creation of a gigantic military-industrial complex established on both sides of the Atlantic.

Yet the day-to-day record of those same years, from the Treaty of Washington of 1948 to the Lisbon meeting of the NAC in 1952, from the aborted Title VI of the ECA of 1948 to the Mutual Security Act of 1951, reflected the kinds of frustrations which produce a sense of failure. Each problem solved seemed to breed an insoluble new problem in its place. The signing of the North Atlantic Treaty immediately exposed the Alliance's exclusive reliance on U.S. atomic air power as the only meaningful military deterrent to invasion; the Korean War forced the Allies to recognize that there were inadequacies in that deterrent. The military assistance programs throughout this period brought no immediate relief. The initial allocations were barely sufficient to fill the most obvious holes in current force levels, and the leadtime between appropriation and delivery was inevitably slow. While the Korean War forced an upward revision of the amount of aid needed, it also exaggerated the weaknesses among the Allies, revealing their military preparations as insufficient and their intentions as suspect. While tensions were usually at manageable levels between the United States and Europe, they were always high and frequently flammable on both sides.

Within the U.S. Government friction existed among the agencies involved in assisting the Atlantic alliance. The military Services, fearing drains on their stocks, had to be cajoled or intimidated into support of the program and of the

leadership of the Secretary of Defense and his Office of Military Assistance. The Defense Department was inherently suspicious of the State Department's role both in the MAP and in NATO. Friction was inevitable between Defense and any other agency which would assert its authority over programs that were "exclusively military in their content," as John Ohly once observed. He added that an external agency was needed, however, to force the Services to rise above their own understandable but special needs, and this was a role that OSD from time to time shared with State or the MSA.¹ The ECA was simply another complicating factor, but of a lesser order as far as Defense was concerned, especially when it took the form of the MSA. State proved to be a rival in the NAC, where the Chairman of the Deputies Council was identified as an agent of the State Department. The problem never abated; it was as vital in 1952 as it had been in 1948. Only names had changed.

Similarly, frictions between the executive and legislative branches remained constant throughout the period. Charges of wasted funds or expressions of doubt about the reliability of State Department leadership usually accompanied congressional consideration of any funds for the military aid programs. Passions engendered by the crises in China or Korea periodically exacerbated mutual suspicions. Congress may have grudgingly provided funds, but congressional hearings and reports focused on excessively long leadtimes between authorization and delivery of end items, or the immoderate amounts the Administration wished to devote to economic as opposed to military assistance.

Within Europe differences were equally visible. The creation of the Alliance attracted attention to the conflicting perceptions of the unit identified with the Western Union and the periphery in Scandinavia, Portugal, and (to a lesser extent) Italy. Denmark's concerns were not identical with Portugal's. Nor were smaller powers comfortable with the leadership of the United Kingdom and France in the Standing Group. But the most serious of all the European divisions in this period centered on Franco-German relations. While differences appeared to be resolving to the advantage of all Europeans in 1951, the European Defense Treaty had not been signed by the time of the Lisbon meeting. There were sufficient auguries for those who wished to see them to suggest that France would not accept German equality within a European community for the immediate future.

But the greatest divisive element within NATO was the uneasy relationship between America and Europe. The MAP was at the center of the problem. If the United States were to grant Europe the assistance needed for defense, it required evidence that Europe was making a genuine contribution to the common effort. This meant moving toward political and economic as well as military integration, mutual sacrifices of sovereignty, and sacrifices as well in the service of defense production. American demands for these things were constant and persistent at times when prices were rising, materials growing scarce, and a spirit of neutralism if not of Communist support rising among some of the Allied publics. It stimulated a festering resentment of American wealth and power among Europeans who were convinced that a country with the enormous resources of the United States could afford to contribute a greater share of its GNP to defense purposes than countries with fewer resources.² Europeans resented U.S. insensitivity to the fact that the Korean War was responsible for shortages of materials and the consequent rise of prices which threatened to destroy the fragile new economies of Western Europe. When

Europeans proposed, as the French did repeatedly, a common budget or a common fund, they were regularly rebuffed.

A deadlock resulted. One committee after another sought ways to pry loose from each nation figures which would tell how much each could and should spend for NATO. The TCC and the Lisbon projections were the latest in a procession that had begun in 1948. And the Lisbon goals were never met.

Such is a pessimistic reading of the interaction of the military Services with the OSD, of the traditional agencies with the ECA, of the Administration with Congress, of the smaller allies with the larger allies, and of the United States with Europe. In the evolution of the Alliance, the military element appeared to predominate under an executive leadership that ultimately converted all assistance to military purposes. The Korean War accelerated a process, according to this point of view, that had been implicit from the very beginnings of the Alliance.

This pattern has never changed, in the opinion of critic David Calleo. Such political institutions as the Council of Deputies or the Secretariat-General grew in the shadow of the more powerful military organs. And it was in the military sphere that the United States expressed its domination most forcefully. In a sense then, Calleo wrote, "the Supreme Allied Commander has never been the first servant of the Council, but the viceroy of the American president." The management of military assistance, with its emphasis on bilateralism, was a harbinger of the military role in NATO. No NATO body would sit in judgment on the U.S. stewardship. Thus NATO became, again in Calleo's words, "the rather elaborate apparatus by which we have chosen to organize the American protectorate in Europe."³

Other critics have shared these conclusions over the years. While acknowledging a continuing need for NATO, "so long as the Red Army seemed poised to sweep from the Elbe to the Channel," Ronald Steel claimed that by the mid-1960's the United States was unable to respond to the changing balance of power in the world generally and to the changes within the Soviet Union specifically. The old order of 1950 had broken up, and the United States did not realize it.⁴ The original trouble, according to Richard Barnet and Marcus Raskin, stemmed from the Korean War, when the Alliance in its military preoccupations "began to focus on a false problem."⁵ Still other writers ascribed diabolical purposes to militarization. David Horowitz found "an absolute supremacy of power" rather than containment or negotiation of settlement.⁶ The MAP was the major instrument in achieving these ends, but it served to subordinate all foreign affairs to military control. As late as July 1976, John W. Finney, writing in the *New York Times*, observed that the military advisory teams had been instituted to administer military aid to foreign countries, but ended up "serving largely as the foreign service of the Joint Chiefs of Staff."⁷

Judgments like these may outnumber positive assessments of the Alliance, the U.S. contribution, and the role of military aid. They reflect disillusionment with the direction world affairs followed in the first generation of NATO. Yet they do not address the situation of the time. While the many conflicts within NATO programs were serious and perhaps inevitable, what did they really signify? Europeans, protective of their recovering but still fragile economies, yet anxious about their political and military weaknesses, understandably regarded NATO with mixed feelings. For some the NAT and subsequent rearmament exacerbated the Cold War; Soviet opposition to the treaty in 1949

and Communist attempts to disrupt military aid shipments in 1950 reflected a worsening of East-West relations. For others, the Alliance might jeopardize the economic restoration under the Marshall Plan as economic aid might yield to military aid. And for all, the terms of American aid to and membership in the Alliance threatened to be based on politically unacceptable concessions. Yet the record reveals minimal obstruction on both sides as the treaty was ratified in country after country and as military assistance agreements were accepted by the winter of 1950 in a remarkably short time.

While the Korean War bred new tensions, they were all manageable. The sharpest difficulties came from U.S. pressures for an integrated European army, which meant a German role in the defense of Europe. The pressure on France in particular was intense. But France was able to withstand U.S. opposition with impunity, no matter how distressed Americans and other Europeans were at French conduct. Even though the abortive European Defense Community remains to this day an object of suspicion, its launching in 1951 served the interests of NATO. The Alliance might have collapsed in 1950 had France not made at least a pretense of responding to the conditions which the United States placed on continuing association with Europe. The Plevin Plan legitimized both the Truman decision to reinforce American troops in Germany and the appointment of General Eisenhower as the first Supreme Allied Commander. These actions took place at the very moment when China's entry into the Korean conflict had focused almost all U.S. attention upon Asia once again. Without the earnest of European cooperation provided by the French, a reinvigorated American isolationism might have fulfilled the Allies' worst fears about U.S. intentions toward Europe.

As for the reluctance of Europeans to rearm, it was never simply a wish to turn over all responsibility to the United States. On the other side, U.S. interest in base rights and reciprocal assistance was never the major element in American policy. American suspicions about European unwillingness to sacrifice did not ultimately govern behavior toward the Allies, even when their troop commitments, length of military service, or degree of diversion of civilian to military economies failed to meet U.S. expectations. At most times there was a mutual awareness that Britain's problems with balance of payments or that France's expenses in Indochina were severe handicaps in their service to the common effort. At critical moments the United States tided them over with substantial special subsidies.

Above all, the United States recognized that the impact of massive rearmament posed severe threats to the economies of its partners in the form of rising costs of imported raw materials and accompanying inflation of domestic prices in most of the member countries. Prices of raw materials needed by European manufacturers rose 35 percent during the 15 months following the outbreak of the Korean War, while export prices in Europe rose only about 12 percent.⁸ In the face of these obstacles, an increase in Europe of defense production from 5 to 10 percent of the GNP was accomplished without destruction of economies. Indeed, the *Wirtschaftswunder*, so evident a decade later, had its beginnings at this time.⁹ By 1952 European economies had "reached the point of self-sustaining growth," as John Steinbruner has pointed out. Industrial production was up from 25 percent to 35 percent over prewar levels. Western Europe was to become by 1960 the second most important industrial complex in the world.¹⁰

In all this activity the Military Assistance Program played a vital catalytic role in mobilizing the forces of the United States and Europe to defend the Alliance. Quantitatively, the cumulative record through the end of 1951 was impressive, and the first semiannual report of the Mutual Security Program did not fail to make the most of it. The dollar value of shipments from the United States to Europe of military end items approximated \$1.2 billion at the end of this period. One-third of this amount was delivered in the last 6 months of the year. The deliveries included 7,310 tanks and combat vehicles, 29,875 motor transport vehicles, 8,990 radios and radar, 10,888 artillery pieces, 316 naval vessels, and 952 Air Force aircraft.¹¹ No matter how much skepticism the agency reports may have bred as public relations documents, they do confirm a record of achievement made against the counterclaims of American and United Nations forces in Korea and of long leadtimes in obtaining new manufactures. While the list of shortfalls, ranging from machine tool shortages to coal and steel deficiencies to the formidable obstacles in creating a new military infrastructure for nations destroyed in World War II, should not be overlooked, they may also be put into a historical perspective that would soften the sense of failure so often expressed by contemporaries.

Similarly, there is the temptation to focus on the conflicts among the agencies involved in military aid, on their differing priorities, and on the differing personalities of their members. One might expect to find a military mind reacting to a problem differently from a civilian mind, or a Defense outlook lacking the sensitivities of the milder State concern. Those charged with building the economies of Europe would be disturbed professionally by the prospect of diverting efforts to competitive military production. As the foregoing examination reveals, clashes did indeed occur, and they took place at every stage in the growth of the Alliance.

Yet these differences were mitigated by a variety of circumstances, not the least of them the clear voice of the President, which set the tone for everyone else. Truman's own views were similar to his description of the North Atlantic Treaty — "simple and straightforward." He claimed that the pact was a "shield against aggression and against the fear of aggression," and the Military Assistance Program was a logical way of making the American commitment effective. With his lively sense of history to guide him, Truman saw in the defense of Europe the best means of preventing World War III. "Surely, if something like it had existed in 1914 and in 1939," he wrote in his memoirs, "the acts of aggression that had pushed the world into two disastrous wars would not have happened."¹²

Sometimes, however, even harmony was more apparent than real. For example, the lodging of the MDAP in the Department of State did not guarantee that the Director of Mutual Defense Assistance or his successor, the Director for International Security Affairs, was simply a voice of State. The programs were juxtaposed uneasily in a department which had parallel concerns with Europe and whose conventional bureaus looked with suspicion upon a new group tenuously connected with State. Frequently, the director would have more difficulty working with the country desks than with OSD or ECA. The experience of the MAAG's, of ECC, or ISAC, wherein officials of different agencies worked together over a period of time on common problems, inspired an esprit that made them more compatible with each other than with colleagues in Defense, State, or ECA.¹³

Departmental biases were irrelevant to the leaders of the program who had not only been drawn for the most part from outside government ranks but who had enjoyed close working relationships before they had become actors on this particular scene. Secretary Louis Johnson was the exception. Such men as Averell Harriman, George Marshall, and Dean Acheson were friends. The tripartite division of their affiliations is blurred in this 4-year period when Marshall was both Secretary of State and Secretary of Defense while Harriman moved in and out of a variety of roles in the Office of President, in ECA, and in the Mutual Security Program.

The interchangeability of their jobs as well as their personal ties was equally evident among the next echelon of important officials. Robert Lovett was Under Secretary of State and Deputy Secretary of Defense, as a trusted aide of Marshall. William Foster moved easily from Director of ECA to Deputy Secretary of Defense when Lovett succeeded Marshall as Secretary in 1951. Even such professional military men as Lyman Lemnitzer and George Lincoln came to their positions with a deserved reputation for breadth of experience and tact in manner. Their experiences were never parochial; the rapid movement of the key policymakers from one agency to another reflected no ingrained loyalty to vested interests of any one agency; and their personal relations, when problems looked most grim, could usually be straightened out over the luncheon table.¹⁴ This was a fraternity of a new breed of government servants—mostly successful lawyers, businessmen, and financiers drawn to government by World War II and impelled to stay on for a short or long term because of the attraction of power and the potential for influence and service in a seminal period in American history.

In retrospect, they solved most of the technical problems of making a military assistance program work and gave energy to an alliance that might have collapsed without the support of American aid. Whether their work could have been done more efficiently, more equitably, and with less waste, duplication, and confusion is an understandable question which is fundamentally unanswerable. Equally unanswerable but more significant is the question whether Europe could have been aided economically without the military substructure and a military alliance and military program to feed it. There is a temptation to speculate on the necessity of NATO in the light of contemporary doubts about the intentions of the Soviet Union in the period from 1945 to 1952. If the Soviet Union was essentially cautious and conservative, and if the Korean War was really not a product of Soviet plotting, then NATO might be seen as provocative, or needless at best. What point was there to building a military machine operating from the Arctic to the Caucasus if the Soviet had no plans to push toward the Atlantic, or even toward the Mediterranean? In this context the growth of European unity, and the reconstruction of Europe's economy may have been impeded rather than promoted by the militarization of both economic aid and European community. Funds were diverted from the economy. The OEEC and the European Payments Union rather than the NAC were more appropriate and more effective instruments of recovery and reform, according to some.

But this view presumes a knowledge of Soviet behavior which is as yet unverifiable and also fails to take into account the fears of the moment grounded on the Czech coup, the Berlin blockade, and upon the strident call for revolution among European Communist parties in this period. The demand for action in response to perceived dangers came as much from Europeans as from

Americans. Economic aid and political reconstruction could not flourish in a society beset by fear magnified by military weakness. It was to provide a frame for the continuation of economic recovery that NATO was formed. The MAP of 1949 involved a gradual rearmament, a military change designed to cope with internal subversion. Security from invasion would derive from the psychological comfort U.S. commitment would bring. An invulnerable United States supported by atomic air power would deter any Soviet act of aggression. Such were the beliefs of 1949.

Military assistance assumed a new role only when the Korean War induced a reorganization of the Alliance and of U.S. participation in it. The result was a hasty, often frantic, escalation of aid to make European armies defensible. Five American divisions were to be matched by an integrated European force with a German contribution, by European military production to supplement American aid, and by the provision of bases throughout the Continent. These changes dramatized the fact that the premise on which the North Atlantic Treaty had been formed in 1949 had become invalid by 1950.

The militarization of NATO led to policies which conceivably sacrificed opportunities for detente. The American emphasis on creating situations of strength from which to negotiate ruled out in practice any chance of negotiations with the Soviet Union during this period. It precluded an appreciation of Soviet fears and needs and gave a harsh tone to the relationship with the Soviet Union. American initiative appeared to lock the West into an inflexible stance. At the same time, its pressures forced the rebuilding of Germany without sufficient empathy for the feelings either of the European allies or of the Germans themselves. By embracing Adenauer, the Truman administration helped to insure a division of Germany for a generation, with a vulnerable Berlin remaining a point of friction between East and West. U.S. political and military weight in Europe stimulated European anger and resentment, which may have been expressed in sublimated form by the Anglo-French Suez invasion of 1956 and, more candidly, by France's posture during de Gaulle's decade of power.

Notwithstanding the rigidity of U.S. positions and its own inability to meet self-imposed goals, NATO survived and developed into a credible military alliance. For reasons that probably were related, there was no further advance of Communist power in Western Europe in this period. Under NATO a European community grew—economically and politically as well as militarily. By pressing for the unification of the West to maximize military and economic assistance, U.S. policymakers won more than was apparent at the time. That they did not—and could not—anticipate all the paths taken by a revived Europe, including the departure of France from NATO's military structure, should not detract from an appreciation of an American role in that revival. The Korean crisis tested the U.S. decision to turn away from the long tradition of abstention from European political affairs and from military obligations which involvement might impose. The United States passed the test. American troops did not become an army of occupation. The Supreme Allied Commander was freely accepted by the countries he served. American military aid became the property of a NATO effort, not simply an arm of the American military. If all objectives were not reached, and if some were misdirected, there is still credit for what Harlan Cleveland has called "a generation of peace" in Europe which developed from it.¹⁵

The Military Assistance Program served to energize the Alliance without destroying political controls over military policies and without debasing the

Allies to the position of satellites. Given the dependence of Europe upon U.S. weaponry and technology, far greater controls might have been—and were not—imposed. While standardization of weapons was a constant if distant goal, such effects as it had came not from American ukases but from massive offshore procurement which yielded production according to U.S. specifications.¹⁶ Nor did the emphasis upon military production in Europe signal the end of European economic recovery. The balance was delicate, but the Mutual Security Program encompassed rather than subverted the economic rebuilding of Western Europe. The independence of Europeans as much as the integration of Europe was a testament to the success of NATO and the Military Assistance Program.

List of Abbreviations

AMAG (American Mission for Aid to Greece)
CIA (Central Intelligence Agency)
DC (Defense Committee)
DFEC (Defense Financial and Economic Committee)
DoD (Department of Defense)
DPB (Defense Production Board)
ECA (Economic Cooperation Administration)
ECC (European Coordinating Committee)
ERP (European Recovery Program)
FACC (Foreign Assistance Correlation Committee)
FASC (Foreign Assistance Steering Committee)
FEB (Finance and Economic Board)
FMACC [formerly FACC] (Foreign Military Assistance Coordinating Committee)
FMASC [formerly FASC] (Foreign Military Assistance Steering Committee)
FRUS (Foreign Relations of the United States)
FY (Fiscal Year)
GNP (Gross National Product)
ISAC (Committee on International Security Affairs)
JAMAG (Joint American Military Advisory Group)
JCS (Joint Chiefs of Staff)
JUSMAG (Joint United States Military Advisory Group)
MAAG (Military Assistance Advisory Group)
MAP (Military Assistance Program)
MAPAG (Military Assistance Program Advisory Group)
MB (Munitions Board)
MDAP (Mutual Defense Assistance Program)
MPSB (Military Production and Supply Board)
MSA (Mutual Security Agency)
MSP (Mutual Security Program)
NAC (North Atlantic Council)
NAT (North Atlantic Treaty)
NATO (North Atlantic Treaty Organization)
NME (National Military Establishment)
NSC (National Security Council)
NSRB (National Security Resources Board)
OEEC (Organization for European Economic Cooperation)
OSD (Office of the Secretary of Defense)
PLANAT (Planners for the North Atlantic Treaty)
PPS (Policy Planning Staff of the State Department)

RG (Record Group - National Archives)
RIIA (Royal Institute of International Affairs)
SACEUR (Supreme Allied Commander, Europe)
SANACC (State-Army-Navy Coordinating Committee)
SG (Standing Group)
SHAPE (Supreme Headquarters, Allied Powers, Europe)
SWNCC (State-War-Navy Coordinating Committee)
TCC (Temporary Council Committee)
WU (Western Union)

Bibliographical Note

The major sources of unpublished primary materials for this book are the central files of the Office of the Secretary of Defense located in the Modern Military Branch of the National Archives in Washington, D.C. They are as extensive as they are significant, encompassing documents, letters, memoranda, and despatches from the three military Services, the Joint Chiefs of Staff, the Department of State, and the ECA. Whenever appropriate, these files in Record Group 330 were supplemented by the records of the State Department in Record Group 59 and of the JCS in Record Group 218, both at the National Archives. Additional materials of the ECA are in the Federal Records Center at Suitland, Maryland.

Important supplementary papers, particularly interviews with NATO policymakers John Hickerson and Theodore Achilles as well as papers of the President and of Secretary of State Acheson are housed in the Harry S. Truman Library in Independence, Missouri. Interviews with other major contributors to NATO and MAP in this period have been conducted by OSD historians in preparation for their forthcoming studies of the Office of the Secretary of Defense. Those directly related to this volume included W. Averell Harriman, Robert A. Lovett, Lyman L. Lemnitzer, and John H. Ohly.

Of less importance for the project are the papers of General Dwight D. Eisenhower at the Dwight D. Eisenhower Library in Abilene, Kansas; of General George C. Marshall in the Marshall Papers in Lexington, Virginia; of Secretary of Defense James V. Forrestal at Princeton; and of Secretary of Defense Louis Johnson at the University of Virginia.

The published primary materials among the executive agencies are voluminous. The Department of State Foreign Relations series, begun in 1861, continues to be a model for other governments, a reliable fount of information and understanding for scholars everywhere. The compilers and editors for the period 1948 to 1951 have displayed editorial talents of a high order in identifying and publishing the most important correspondence, position papers, and memoranda of the period. The Department of State *Bulletin*, the monthly publication, was useful for official speeches and notices of appointments. Within the Defense Department, the semiannual reports of the Secretary of Defense contained charts and graphs which illuminate some aspects of the military assistance programs. Even more detailed are the semiannual reports of the Mutual Defense Assistance Program and the successor, the Mutual Security Program. The volumes on Harry Truman in the *Public Papers of the Presidents* contain the most complete collection of the President's public statements.

Congressional sources are equally extensive and almost as important to this study. The *Congressional Record*, committee hearings (both open and

executive session), and reports on every phase of NATO and the Military Assistance Program are indispensable. Of all the Nation's newspapers reporting on this period, the *New York Times* served both as a journal of record and of opinion. Much of the latter was very perceptive, if not always accurate. The *Times* of London and *Le Monde* of Paris are two European papers which followed both NATO and military assistance programs closely.

Students of this period have the advantage of memoirs from many if not most of the actors on the scene. Aware of the importance of the events in which they participated they recorded their thoughts and judgments, some immediately after the events they describe, others after a lifetime of service. Among the former are Secretary of Defense James Forrestal in Walter Millis, ed., *The Forrestal Diaries* (New York: The Viking Press, 1951) and Senator Arthur Vandenberg in Arthur H. Vandenberg, Jr., ed., *The Private Papers of Senator Vandenberg* (Boston: Houghton Mifflin Co., 1951). President Truman's *Memoirs* (2 vols., New York: Doubleday, 1956); Secretary of State Acheson's *Present at the Creation: My Years in the State Department* (New York: W. W. Norton & Co., 1969); W. Averell Harriman's *America and Russia in a Changing World: A Half Century of Personal Observations* (Garden City, N.J.: Doubleday, 1971); George Kennan's *Memoirs* (Boston: Little, Brown and Co., 1967); and Charles E. Bohlen's *Witness to History* (New York: W. W. Norton & Co., 1973) are reflections written years after the events. European diplomatists are also represented in accounts of the period: German Chancellor Konrad Adenauer, *Memoirs, 1945-1954* (Chicago: Henry Regnery Co., 1965); French Defense Minister Jules Moch, *Histoire du rearmement allemand depuis 1950* (Paris: Robert Laffont, 1965); Paul-Henri Spaak, *The Continuing Battle: Memoirs of a European, 1936-1969* (Boston: Little, Brown and Co., 1971); and Netherlands Foreign Minister Dirk U. Stikker, *Men of Responsibility: A Memoir* (New York: Harper & Row, 1966). Two Canadian diplomatists have given important insights into the origins of NATO: Foreign Minister Lester B. Pearson, *Mike: The Memoirs of the Rt. Hon. Lester B. Pearson* (2 vols., Toronto: University of Toronto Press, 1973) and Escott Reid, *Time of Fear and Hope: The Making of the North Atlantic Treaty, 1947-1949* (Toronto: McClelland and Stewart, 1977).

Biographies have been almost as numerous as memoirs. The Secretaries of State and Defense in this period have been particularly well served, especially in the *American Secretaries of State and Their Diplomacy* series, by Robert H. Ferrell, *George C. Marshall as Secretary of State, 1947-1949* (Vol. 15, New York: Cooper Square Publishers, 1966) and Gaddis Smith, *Dean Acheson* (Vol. 16, New York: Cooper Square Publishers, 1972). Marshall's service as Secretary of State and Secretary of Defense will be the subject of the next volume of Forrest Pogue's authoritative biography. David S. McLellan, *Dean Acheson: The State Department Years* (New York: Dodd, Mead & Company, 1976) has produced the most significant biography of Acheson to date. Neither Forrestal nor Johnson has been as well served, although the former has been the subject of an interesting psychobiography in Arnold A. Rogow, *James Forrestal: A Study of Personality* (New York: Macmillan, 1963). The authoritative biography of President Truman has yet to be written, but the following four works come closest to the subject of this book: Robert J. Donovan, *Conflict and Crisis: The Presidency of Harry S. Truman, 1945-1948* (New York: W. W. Norton & Co., 1977); Alonzo L. Hamby, *Beyond the New Deal: Harry S. Truman and American Liberalism* (New York: Columbia University Press, 1973); Susan M.

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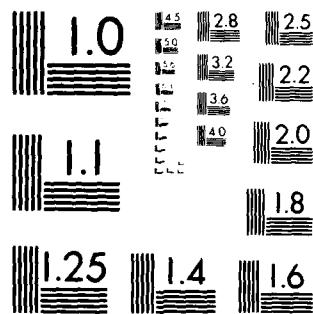
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The North Atlantic Treaty Organization has been the subject of examination for the past 30 years from almost every possible angle of observation. The one notable exception has been the historical perspective. For reasons why historians have not yet addressed themselves to the subject see my note, "After Twenty-five Years: NATO as a Research Field," *AHA Newsletter*, 12 (November, 1974). Political scientists have filled their role with some success. Although the origins of the treaty are not a subject of his interest, Robert E. Osgood, *NATO: An Entangling Alliance* (Chicago: University of Chicago Press, 1962) is still the most satisfactory history of the organization. Important articles on various aspects of NATO are in Klaus Knorr, ed., *NATO and American Security* (Princeton: Princeton University Press, 1959). Other articles are Robert E. Osgood, "NATO: Problems of Security and Collaboration," *American Political Science Review*, 54 (March, 1960); James E. King, "NATO: Genesis, Progress, Problems," in Gordon B. Turner and Richard D. Challener, eds., *National Security in the Nuclear Age* (New York: Praeger, 1960); and Lincoln Gordon, "Economic Aspects of Coalition Diplomacy—the NATO Experience," *International Organization*, 10 (November, 1956). Some of the most useful work was done by journalists and contemporary observers. See, for example, Theodore H. White, "The Job Eisenhower Faces: The Tangled Skein of NATO," *Reporter*, 4 (February 6, 1951); the Chatham House Study Group's *Defence in the Cold War: The Task for the Free World* (London: Royal Institute of International Affairs, 1950) and *Atlantic Alliance: NATO's Role in the Free World* (London: RIIA, 1952); and Bernard Brodie, "Strategic Implications of the North Atlantic Treaty," *American Journal of International Law*, 44 (January, 1950). Hastings, Lord Ismay, first Secretary General of NATO, provides an official record of the early years along with some unobtrusive and interesting editorial comments in *NATO: The First Five Years, 1949–1954* (Paris: NATO, 1955). The important role of West Germany in this period is reflected in the writings of Clarence C. Walton, "Background of the European Defense Community," *Political Science Quarterly*, 67 (March, 1953); Laurence W. Martin, "The American Decision to Rearm Germany," Harold Stein, ed., in *American Civil-Military Decisions: A Book of Case*

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Foreign aid, and military assistance in particular, has received even less consideration than NATO from historians. This situation may be changed when Richard D. McKinzie's and Theodore A. Wilson's "The Accidental Empire: A History of Foreign Aid from 1943 to 1953" is published. The point of departure in this area is Herbert Feis's suggestive *Foreign Aid and Foreign Policy* (New York: St. Martin's, 1964). A well organized compendium of information on all the programs with special attention to MDAP was done for the Brookings Institution by William Adams Brown, Jr., and Redvers Opie, *American Foreign Assistance* (Washington: Brookings Institution, 1953). There are three important works on the Marshall Plan which have relevance to the military aid program: Harry B. Price, *The Marshall Plan and Its Meaning* (Ithaca: Cornell University Press, 1953); Hadley Arkes, *Bureaucracy, the Marshall Plan, and the National Interest* (Princeton: Princeton University Press, 1973); and John Gimbel, *Origins of the Marshall Plan* (Stanford: Stanford University Press, 1976). Twenty years ago Byron Fairchild, an Army historian, had begun but not completed a study of the Army and the Military Assistance Program. Portions of the manuscript dealing with the Greek and Turkish background were valuable. The Joint Chiefs of Staff historians have included a chapter on military assistance to NATO in an unpublished manuscript which complements the OSD angle of observation.

General works on U.S. foreign military policy after World War II are numerous. The books most useful to this monograph include Walter Millis, Harvey C. Mansfield, Harold Stein, *Arms and the State: Civil-Military Elements of National Policy* (New York: Twentieth Century Fund, 1958); Warner A. Schilling, Paul Y. Hammond, Glenn Y. Snyder, *Strategy, Politics, and Defense Budgets* (New York: Columbia University Press, 1962); Samuel P. Huntington, *Soldiers and the State: The Theory and Politics of Civil-Military Relations* (Cambridge: Harvard University Press, 1957) and *The Common Defense: Strategic Programs in National Politics* (New York: Columbia University Press, 1961); and Coral Bell, *Negotiations from Strength: A Study in the Politics of Power* (New York: Knopf, 1963). The Council of Foreign Relations' annual *United States in World Affairs* for the years 1948 through 1951 and the Brookings Institution's monthly *Current Developments in Foreign Policy* for the same years provide helpful summations of the issues of the day which for the most part stand the test of time a generation later.

Footnotes

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2. Merle Curti and Kendall Birr, *Prelude to Point Four: American Technical Missions Overseas, 1838–1938* (Madison: Univ of Wisconsin Press, 1954).
3. Herbert Feis, *Foreign Aid and Foreign Policy* (New York: St. Martin's Press, 1964), pp 41–42.
4. Winston Churchill, *Their Finest Hour* (Boston: Houghton Mifflin, 1949), p 569.
5. See Harry L Coles and Albert K Weinberg, *Civil Affairs: Soldiers Become Governors*, vol 8 (Washington: GPO, 1964), Special Studies, US Army in World War II. See also C Wright Mills, *The Power Elite* (New York: Oxford Univ Press, 1956) and Samuel P Huntington, *The Soldier and the State: The Theory and Politics of Civil-Military Relations* (Cambridge: Harvard Univ Press, 1957) for two different views of the military diplomatists of the Cold War.
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7. Commencement address, George C Marshall, Sec/State, at Harvard, 5 Jun 47, US Dept/State *Bulletin* 16 (1947), 1159–60.
8. See in particular Walter Lippmann, *The Cold War: A Study in U.S. Foreign Policy* (New York: Harper, 1947) and George Kennan's mea culpa supporting Lippmann's concerns in his *Memoirs, 1925–1950* (New York: Bantam Books, 1969), p 379.
9. Walter LaFeber, *America, Russia, and the Cold War, 1945–1966* (New York: John Wiley & Sons, 1967), p 53.
10. Ltr, Richard Bissell, former ECA official, to Historian, OSD, 23 Mar 79. See John W Spanier, *American Foreign Policy since World War II* (New York: Praeger, 1960), pp 34ff.
11. William H McNeill, *Greece: American Aid in Action, 1947–1956* (New York: Twentieth Century Fund, 1957), pp 37–38.
12. John O Iatrides, "The United States and Greece, 1945–1963: Politics of Alliance and Penetration," Center for European Studies, Harvard Univ, presented at Cambridge, 18 Apr 75, p 2.
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18. Memo, Willard L Thorp, ASec/State for Economic Affairs, for Sec/State, 7 Apr 48, *ibid*, pp 557–60; memo, Sec/Def for NSC, 17 Apr 48, *ibid*, p 563. Both memoranda concern NSC 7.
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 32. Int with Lemnitzer, 21 Mar 74, pp 3-4.
 33. Rpt, NSC 9/3, NSC to Truman, 28 Jun 48, *FRUS*, 1948, 3, 141. Secrecy was not as complete as General Lemnitzer remembered. On 23 July 1948 the *London Daily Express* noted under the headline "America May Arm 35 Divisions" that "US General Lyman Lemnitzer, in London to advise the Military Committee on Western Union, has suggested that they set up a permanent general staff and pool all military secrets and weapons. The United States will partly arm 35 European divisions of cadres before more first rated divisions are set up." Cable DELWU 3, Maj Gen Lyman L Lemnitzer, Dep Commandant, Natl War College, to Dept/Army, 23 Jul 48 (Attn: Wedemeyer) CCS 092, RG 330.
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93. Telg 736, Sec/State to Emb in UK, 4 Mar 49, 840.00/3-249, *FRUS*, 1949, 4, 163; telg 821, Douglas to Sec/State, 7 Mar 49, 840.00/3-749, *ibid*, p 166.
94. Verbatim rpt, MAP, North Atlantic Pact Discussions, Washington, 2 Apr 49, RG 353.
95. Telg 1220, Douglas to Sec/State, 27 Mar 49, 840.20/3-2749, *FRUS*, 1949, 4, 251-52; telg, Sec/State to Emb in Netherlands, 21 Jul 49, N7-1-(3)-A.3, RG 330.
96. Telg 937, Douglas to Sec/State, 11 Mar 49, 840.00/3-1149, RG 59.
97. Telg 671, Douglas to FACC, 24 Feb 49, 840.00/2-2449, RG 59.
98. Telg 988, Douglas to Sec/State, 16 Mar 49, 840.00/3-1649, RG 59. See *FRUS*, 1949, 4, 232n.
99. Memcons, Ernest Gross, ASec/State, 18 Mar 49, 840.00/3-1849, RG 59; see *FRUS*, 1949, 4, 245n. See also telg 910, Douglas to Sec/State, 11 Mar 49, 840.00/3-1149, *ibid*, p 184; telg 834, Sec/State to Emb in UK, 12 Mar 49, 840.00/3-1149, *ibid*, p 196.
100. Telg 983, Douglas to Sec/State, 16 Mar 49, 840.00/3-1649, *ibid*, p 231.
101. *Ibid*, p 232.
102. Telg 953, FACC to Douglas, 19 Mar 49, 840.20/3-1949, RG 59. See *FRUS*, 1949, 4, 245n.
103. Mins, 1st mtg of ECC, 25 Mar 49, 840.00/4-2249, *FRUS*, 1949, 4, 245-48.
104. Telg 953, FACC to Douglas, 19 Mar 49, 840.20/3-1949, RG 59.
105. Telg 1105, Douglas to Sec/State, 22 Mar 49, 840.20/3-2249, RG 59; telg 1124, Douglas to Sec/State, 23 Mar 49, 840.20/3-2249, RG 59; mins, 1st mtg of ECC, 25 Mar 49, 840.00/4-2249, *FRUS*, 1949, 4, 245.
106. Telg 1220, Douglas to Sec/State, 27 Mar 49, 840.20/3-2749, *FRUS*, 1949, 4, 251-52.
107. Memo, Nathaniel Goodrich, Asst Gen Counsel, DoD, for WJ McNeil, ASec/Def (C), and Leva, 12 Apr 49, N7-1-(1)-B, RG 330; memo, Gross for Dean Acheson, Sec/State, 23 Mar 49, sub: Request from WU Countries for Military Assistance for FY 1950, N7-1-(1)-A.2, RG 330; telg 1004, FACC to Douglas, 23 Mar 49, 840.00/3-2349, RG 59.
108. Telg 1213, Douglas to Sec/State, 26 Mar 49, 840.00/3-2649, *FRUS*, 1949, 4, 250-51.
109. Telg 1157, FACC to Douglas, 4 Apr 49, 840.00/4-449, RG 59; requests from Brussels Treaty Powers to US for military assistance, 5 Apr 49, *FRUS*, 1949, 4, 285-87.
110. US reply to request from Brussels Treaty Powers for military assistance, 6 Apr 49, *ibid*, pp 287-88.
111. Telg 1157, FACC to Douglas, 4 Apr 49, 840.00/4-449, RG 59.
112. Memo, 9 Sep 48, submitted to their respective

- governments by participants in Washington Security Talks, 840.20/9-948, *FRUS*, 1948, 3, 240-41.
113. Int with Achilles, p 34, Harry S Truman Library.
 114. Ibid, p 36. Achilles credits Kennan with the phrase "take such action as may be necessary to restore and maintain the security of the North Atlantic area." In Achilles' words, "In other words, to beat the hell out of the aggressor wherever and however seemed best." Kennan gives the credit or blame to Lovett for whatever success the working group had. He himself "was never happy about it." Kennan, *Memoirs*, 1925-1950, p 436.
 115. See details of organization in FACC D-6/3 (draft 1), 23 Feb 49, sub: Interim Terms of Reference for Coordinating Cte in Europe on US Foreign Assistance Program, N7-1, RG 330.
 116. Memo, JCS for Sec/Def, 5 Jan 49, sub: North Atlantic Pact, 840.20/1-649, *FRUS*, 1949, 4, 12-13; memo, JCS for Sec/Def, 10 Feb 49, sub: Anticipated Position of Scandinavia in Strategic Considerations, 840.20/2-1049, *ibid*, pp 95-97.
 117. Memo, Halaby, 25 Feb 49, sub: Discussions and Decisions on the Foreign MAP in War Council Mtg of 25 Feb 1949, N7-1-(1)-G.5, RG 330.
 118. Telg 1042, Douglas to Sec/State, 18 Mar 49, 840.00/3-1849, RG 59; telg 1213, Douglas to Sec/State, 26 Mar 49, 840.00/3-2649, *FRUS*, 1949, 4, 250-51.
 119. Telg 1212, Douglas to Sec/State, 26 Mar 49, 840.20/3-2649, *FRUS*, 1949, 4, 249.
 120. Telg 2232, Julius C Holmes, US Chargé in UK, to Sec/State, 10 Jun 49, 840.20/6-1049, *ibid*, p 304.
 121. Circular telg, Sec/State to certain diplomatic and consular offices, 23 Mar 49, 840.20/3-2349, *ibid*, pp 243-44; circular telg, Sec/State to certain diplomatic offices, 2 Apr 49, 840.20/4-249, *ibid*, pp 270-71.
 122. Agm A-183, John C Wiley, US Amb in Iran, to Sec/State, 10 Jun 49, 891.00/6-1049, RG 59.
 11. Policy paper approved by FACC, MAP D-G/14, 20 May 49, sub: Military Rights Question, *FRUS*, 1949, 1, 311-12.
 12. Telg 983, Douglas to Sec/State, 16 Mar 49, 840.00/3-1649, *FRUS*, 1949, 4, 231.
 13. Memo, Maj Gen Patrick W Timberlake, Dep Dir of Staff, MB, for Sec/State, 25 Mar 49, sub: Acquisition of Strategic Materials through Foreign MAP's, reporting on mtg of 17 Mar 49, CD 6-2-46, RG 330.
 14. Staff memo, NAC, 9 Mar 49, sub: Loan-Grant and Local Currency Counterpart Issues Raised by MAP, N7-1-(1)-E.9, RG 330.
 15. Memo, Lemnitzer for Col Tischbein, Off of Intl Programs, MB, 27 May 49, sub: Acquisition of Strategic Materials through the Foreign MAP, N7-1-(8), RG 330. The Munitions Board succeeded to the extent that Defense had FACC urge ECA to take maximal advantage of its bargaining position in obtaining further strategic materials for the United States. Personal ltr, Sec/Def to Paul Hoffman, Dir, ECA, 9 Jun 49, *ibid*.
 16. Mins, War Council, 23 Feb 49, Ohly Collection, OSD Historian files.
 17. Telg 1212, Douglas to Sec/State, 26 Mar 49, 840.20/3-2649, *FRUS*, 1949, 4, 249.
 18. Telg 1213, Douglas to Sec/State, 26 Mar 49, 840.00/3-2649, *ibid*, pp 250-51.
 19. Memo, FACC, 25 Mar 49, sub: Problems in Developing MAP, N7-1-(1)-F.3, RG 330.
 20. Despite the unanimous decision of ECC to ask for no resubmission of the Western Union request, Defense and State representatives differed on the bilateral issue at the ECC meeting of 25 March 1949. See *FRUS*, 1949, 4, 247.
 21. Mins, 2d mtg of ECC, 2 Jun 49, p 10, 840.00/6-1449, RG 59.
 22. Memo, Lemnitzer for Halaby, 28 Sep 49, sub: Negotiation of Base Rights in Relation to MAP Bilateral Agreement, FACC D-5/2 (draft 7), N7-1-(1)-G.5, RG 330.
 23. Memo, Lemnitzer for Sec/Def, 24 Mar 49, CD 6-2-46, RG 330.
 24. Memo, Adm Forrest P Sherman, CNO, for Cte of Four Secretaries, 21 Mar 49, N7-1-(1)-G.5, RG 330; policy paper approved by FACC, MAP D-F/1, 25 Jul 49, sub: Why MAP Should be Administered by State Department, *FRUS*, 1949, 1, 359-61.
 25. US Dept/State *Bulletin* 20 (1949), 649.
 26. Memo, Sec/Def for Truman, 16 Apr 49, N7-1, RG 330.
 27. Memo, Sec/Def for Lemnitzer, 19 Apr 49, CD 6-2-46, RG 330.
 28. Memo, Ohly for Sec/Def, 2 Apr 49, *ibid*.
 29. Memo, Lemnitzer for Sec/Def, 13 Apr 49, *ibid*.
 30. *Vital Speeches of the Day* 15 (1949), 429.
 31. Memo, Goodrich for McNeil and Leva, 12 Apr 49, N7-1-(1)-B, RG 330.
 32. Unsigned OSD doc shown to Truman, 10 Apr 49, CD 6-2-46, RG 330; memo, Goodrich for McNeil and Leva, 12 Apr 1949, N7-1-(1)-B, RG 330.
 33. Memo, Theodore Tannenwald, Jr, Counselor to Sec/Def, for Leva, 8 Mar 49, CD 6-2-46, RG 330.
 34. Memo, Leven G Allen, Exe: Sec, OSD, for Sec/Army et al, 20 Apr 49, *ibid*. Attached is a

Chapter III, pages 35-50

1. Memo, Kennan for Sec/State and USec/State, 14 Apr 49, *FRUS*, 1949, 1, 282; rcd of USec's mtg, Dept/State, 15 Apr 49, *ibid*, pp 283-84.
2. Memo, Kennan for Dean Rusk, Dep USec/State for Policy Affairs, 7 Sep 49, *ibid*, p 381.
3. Mins, 171st mtg of PPS, 16 Dec 49, *ibid*, pp 414-15.
4. Rcd of USec's mtg, Dept/State, 15 Apr 49, *ibid*, p 283; memcon, James E Webb, 4 May 49, sub: State Dept participation in NSC, *ibid*, pp 296-97.
5. Memo, Acting Sec/State for Souers, 24 May 49, *ibid*, p 313; memo, Sec/Def for Souers, 20 Jun 49, *ibid*, pp 345-46.
6. Mins, 171st mtg of PPS, 16 Dec 49, *ibid*, pp 415-16.
7. Memo, JCS for Sec/Def, 5 Jan 49, sub: North Atlantic Pact, 840.20/1-649, *FRUS*, 1949, 4, 13.
8. *Ibid*; memo, JCS, 14 Mar 49, sub: Program for Foreign Military Assistance, RG 218.
9. PL 216, 81st Cong, 1st sess, National Security Act Amendments of 1949, *US Statutes at Large*, 1949, 63 (pt 1), 578-92.
10. Telg 983, Douglas to Sec/State, 16 Mar 49, 840.00/3-1649, *FRUS*, 1949, 4, 230-3n.

- chart, showing original figures, budget recommendations, and revised FACC estimates.
35. Ibid; memo, Lemnitzer for Gruenther et al, 5 May 49, N7-1-(1)-B.1, RG 330; brief prepared by FACC on BoB comments on origins of foreign aid program, *ibid*.
 36. US Dept/State, *Foreign Affairs Outlines: Building the Peace*, No 22 (Washington: GPO, 1949), p 1.
 37. Memo, Allen for JCS, 9 May 49, CD 6-2-46, RG 330; memo, JCS for Sec/Def, 21 May 49, sub: Foreign MAP Pricing Policy, *ibid*; this includes a change in JCS 1868/58.
 38. Policy paper approved by FACC, MAP D-G/7, 1 Jul 49, sub: Relationship of MAP to US Strategic Interests, *FRUS*, 1949, 1, 347-49.
 39. Memo, Ohly for Sec/Def, 2 Apr 49, CD 6-2-46, RG 330; memo, Leva for Sec/Def, 5 Apr 49, CD 6-4-18, RG 330.
 40. Memcon, Acheson, of telephone conv with Sen Millard Tydings, 13 Apr 49, Acheson Papers, Harry S Truman Library.
 41. Memo, Goodrich for McNeil and Leva, 12 Apr 49, N7-1-(1)-B, RG 330; rcd of discussions at mtg of Senate Cte on Foreign Relations, 21 Apr 49, 840.20/4-2249, *FRUS*, 1949, 1, 288-91.
 42. Memo, Goodrich for McNeil and Leva, 12 Apr 49, N7-1-(1)-B, RG 330.
 43. Rcd of discussions at mtg of Senate Cte on Foreign Relations, 21 Apr 49, 840.20/4-2249, *FRUS*, 1949, 1, 288-89.
 44. Memcon, Webb, of conv with Truman, 2 Jun 49, sub: Plans for Improving Our Policy Determination, 711.00/6-249, *FRUS*, 1949, 1, 326. See David S McLellan, *Dean Acheson: The State Department Years* (New York: Dodd, Mead & Co, 1976), pp 153-54.
 45. Memo, Kennan for Acting Sec/State, 1 Jun 49, 840.20/6-149, *FRUS*, 1949, 4, 301.
 46. Comments by Johnson at mtg of FASC and FACC personnel, 20 Apr 49, sub: Military Assistance Discussions, N7-1, RG 330.
 47. US Congress, Senate, Cte on Foreign Relations, *North Atlantic Treaty*, hearings on Exec L, 81st Cong, 1st sess, 28 Apr 49, pt 1, p 146.
 48. Int with Leva, 12 Jun 70, Harry S Truman Library.
 49. Walter Millis et al, *Arms and the State: Civil-Military Elements in National Policy* (New York: Twentieth Century Fund, 1958), p 235.
 50. Acheson, *Present at the Creation*, pp 373-74, 441; memcon, Harry H Schwartz, Exec Sec, PPS, Dept/State, 22 Mar 50, *FRUS*, 1950, 1, 204-205.
 51. Int with Lemnitzer, 21 Mar 74, pp 11, 18, OSD Historian files.
 52. Rcd of discussions at mtg of Senate Cte on Foreign Relations, 21 Apr 49, 840.20/4-2249, *FRUS*, 1949, 1, 290.
 53. Senate, Cte on Foreign Relations, *North Atlantic Treaty*, hearings, 81st Cong, 1st sess, 3 May 49, pt 1, p 296 (Bradley testimony).
 54. Ibid, 28 Apr 49, pp 145ff (Johnson testimony).
 55. Rcd of discussions at mtg of Senate Cte on Foreign Relations, 21 Apr 49, 840.20/4-2249, *FRUS*, 1949, 1, 289 (Acheson comments).
 56. Senate, Cte on Foreign Relations, *North Atlantic Treaty*, 81st Cong, 1st sess, 29 Apr 49, pt 1, pp 210-11 (Harriman testimony); *ibid*, 10 May 49, pt 2, pp 674-77 (testimony of James P Warburg).
 57. Richard P Stebbins, ed, *The United States in World Affairs, 1949* (New York: Harper & Bros, 1950), p 77.
 58. Mins, 2d mtg of ECC, 2 Jun 49, p 1, 840.00/6-1449, RG 59; memo, Adams for Sec/State, 2 Jun 49, N7-1-(1)-B.3, RG 330.
 59. Memcon, Acheson, of telephone conv with Vandenberg, 24 Jun 49, Acheson Papers, Harry S Truman Library.
 60. Memo, Lemnitzer for Sec/Def, 13 May 49, sub: Congressional Presentation of the MAP, CD 6-2-46, RG 330; memo, Acheson for Truman, 12 May 49, 840.20/5-1249, *FRUS*, 1949, 4, 298-99.
 61. Memcon, Acheson, of conv with Truman, 12 May 49, 840.20/5-1249, RG 59.
 62. Telg 1629, FACC to ECC, 12 May 49, N7-1-(1)-B.3, RG 330.
 63. Mins, 2d mtg of ECC, 2 Jun 49, p 1, 840.00/6-1449, RG 59; telg 2188, Douglas to Sec/State, 840.20/6-549, *ibid*.
 64. Stebbins, ed, *The United States in World Affairs, 1949*, p 77.
 65. For the declaration by the Ministry of Foreign Affairs of the USSR, 29 Jan 49, see *International Organization* 3 (1949), 400-405.
 66. For the Soviet memo of 31 Mar 49, see Alvin Z Rubinstein, ed, *The Foreign Policy of the Soviet Union*, 3d ed (New York: Random House, 1972), pp 233-36.
 67. United Nations, *Official Records of the Third Session of the General Assembly*, pt 2, pp 110, 120, 128.
 68. Stebbins, ed, *The United States in World Affairs, 1949*, p 80.
 69. Msg, Truman to Congress, 25 Jul 49, US Natl Archives, *Public Papers of the Presidents: Harry S. Truman, 1949*, pp 395-400.
 70. US Department of State, *The Military Assistance Program* (Washington: GPO, 1949), p 2.
 71. US Congress, House, Cte on Foreign Affairs, *Mutual Defense Assistance Act of 1949*, hearings on HR 5748 and HR 5895, 81st Cong, 1st sess, 28-29 Jul 49, pp 9-15 (Acheson testimony), 45-47 (Johnson testimony), 71 (Bradley testimony).
 72. Acheson, *Present at the Creation*, pp 309-11.
 73. HR 5748, Sec 2(a).
 74. Ibid, Sec 3.
 75. Ibid, Sec 4(d).
 76. House, Cte on Foreign Affairs, *Mutual Defense Assistance Act of 1949*, 81st Cong, 1st sess, 2 Aug 49, pp 126-30 (Harriman testimony). Representatives James Fulton and John Davis Lodge raised these issues most pointedly.
 77. Brookings Institution, *Current Developments in United States Foreign Policy*, Jul-Aug 49, pp 28-29; memo, Gross for Sec/State, 6 Aug 49, sub: Strategy on MAP, 840.20/8-649, *FRUS*, 1949, 1, 377-79, and fn 1 to that memo, p 377.
 78. House, Cte on Foreign Affairs, *Mutual Defense Assistance Act of 1949*, 81st Cong, 1st sess, 28-29 Jul 49, pp 23, 49-50: US Congress, Senate, Ctes on Foreign Relations and Armed Services, *Military Assistance Program*, jt hearings on S 2388, 81st Cong, 1st sess, 8-11 Aug 49, pp 19, 118-19.
 79. House, Cte on Foreign Affairs, *Mutual Defense Assistance Act of 1949*, 81st Cong, 1st sess, 28 Jul 49, p 18.
 80. Senate, Ctes on Foreign Relations and Armed

Services, *Military Assistance Program*, 81st Cong, 1st sess, 9 Aug 49, p 49.

81. Ibid, 10 Aug 49, pp 88-91.
82. Ibid, p 78.
83. Telg 2187, Douglas to Sec/State, 5 Jun 49, 840.20/6-549, *FRUS*, 1949, 4, 302-303.
84. Senate, Ctes on Foreign Relations and Armed Services, *Military Assistance Program*, 81st Cong, 1st sess, 8-9 Aug 49, pp 25, 50-51.
85. Johnson made an unfavorable impression on Congress when he explained that he wanted a large sum at that time so that he could make a good impression on Congress when he next appeared asking for less money. Ibid, 9 Aug 49, pp 52-53.
86. Ibid, pp 51-52.
87. PL 329, 81st Cong, 1st sess, Mutual Defense Assistance Act of 1949, Title IV, *US Statutes at Large*, 1949, 63 (pt 1), 716-21.
88. Senate, Ctes on Foreign Relations and Armed Services, *Military Assistance Program*, 81st Cong, 1st sess, 8-9 Aug 49, pp 53-56 (Johnson-Vandenberg exchange), 16 (Acheson-Connally exchange). The cost to recipients would still be only rehabilitation and shipment, and it was unlikely, considering the various estimates, that materials worth more than \$450 million could be delivered in this period.
89. Policy paper approved by FACC, MAP D-D/1, 25 May 49, sub: Objectives of MAP, *FRUS*, 1949, 1, 314-15.
90. Policy paper approved by FACC, MAP D-G/7, 1 Jul 49, sub: Relationship of MAP to US Strategic Interests, *ibid*, pp 347-49.
91. Brookings Institution, *Current Developments in United States Foreign Policy*, Jul-Aug 49, p 30; *ibid*, Sep 49, p 21. Both contain good summaries of the committee reports reflecting the influence of friends of Nationalist China.
92. *Cong Rec*, 15 Aug 49, 95 (pt 9), 11408-9.
93. Memo, Francis T Greene, Special Counsel to Sec/Def, for Lemnitzer, 10 Aug 49, sub: Briefing Outline for Sec/State with Respect to Amendments to MAP Legislation as Proposed by Members of the Cte, N7-1-(1)-B.3, RG 330.
94. PL 329, 81st Cong, 1st sess, Mutual Defense Assistance Act of 1949, Title I, *US Statutes at Large*, 1949, 63 (pt 1), 715-16.
95. Telg 2234, Holmes to Sec/State, 10 Jun 49, 840.00/6-1049, *FRUS*, 1949, 4, 305. See also William Adams Brown, Jr, and Redvers Opie, *American Foreign Assistance* (Washington: Brookings Institution, 1953), p 466.
96. For comments of Reps William Lemke and George G Sadowski, see *Cong Rcd*, 17 Aug 49, 95 (pt 9), 11662-63, 11674, 11688-89.
97. *Cong Rcd*, 22 Sep 49, 95 (pt 10), 13150.
98. *Cong Rcd*, 18 Aug 49, 95 (pt 9), 11761.
99. Brookings Institution, *Current Developments in United States Foreign Policy*, Sep 49, p 22.
100. Stebbins, ed, *The United States in World Affairs*, 1949, p 80; *New York Times*, 29 Sep 49.
101. Stebbins, ed, *The United States in World Affairs*, 1949, p 83; editorial in *New York Times*, 28 Sep 49; Acheson, *Present at the Creation*, p 313.
102. US Congress, Senate, Cte on Appropriations, *Second Supplemental Appropriation Bill for 1950*, hearings on HR 6427, 81st Cong, 1st sess, 15 Oct 49, p 223.

Chapter IV, pages 51-70

1. US Congress, H Doc 613, 81st Cong, 2d sess, pp 24-25. See also Dept/State announce 194, 25 Oct 49, sub: Establishment of Off of Dir of Mutual Defense Assistance, *US Dept/State Bulletin* 21 (1949), 791-92.
2. DoD dir, 25 Nov 49, sub: Functions and Responsibilities within DoD for Military Assistance.
3. H Doc 613, 81st Cong, 2d sess, pp 31-32; state, Dir, JAMAG, 16 Nov 49, N7-1-(1)-D.2, RG 330.
4. H Doc 613, 81st Cong, 2d sess, p 29.
5. Ibid, p 34.
6. Memo, Sec/Army for Sec/Def, 11 Jan 50, sub: Organization of Military Assistance Missions in Title III Countries, CD 6-2-46, RG 330; memo, Allen for Sec/State, 19 Jan 50, *ibid*.
7. For a full discussion, see Thorsten V Kalijarvi and Francis O Wilcox, "The Organizational Framework of the North Atlantic Treaty," *American Journal of International Law* 44 (1950), 155-61.
8. PL 329, 81st Cong, 1st sess, Mutual Defense Assistance Act of 1949, Sec 101, *US Statutes at Large*, 1949, 63 (pt 1), 715. In some sense the MDAP was an agent of NATO. One criticism of the abortive aid bill of 25 July and the bill of 5 August was that they did not adequately subordinate military assistance to the pact's machinery for handling this problem. See Vandenberg, ed, *Vandenberg Papers*, pp 503, 509.
9. State, Dir, JAMAG, 16 Nov 49, N7-1-(1)-D.2, RG 330; memo, Maj Gen RE Duff, Army rep for MDAP, for Lemnitzer, 23 Nov 49, sub: Relationship of NATO to MDAP, N7-1-(6)-A, RG 330.
10. State, Dir, JAMAG, 16 Nov 49, N7-1-(1)-D.2, RG 330.
11. Sum of rpt, Halaby, 14 Nov 49, N7-1-(6)-A, RG 330.
12. Najeeb E. Halaby, Jr., was appointed the first U.S. delegate and the first Chairman of the Military Production and Supply Board. Hubert Howard, Jr., Chairman of the Munitions Board, succeeded Halaby on 6 January 1950.
13. Lord Ismay, *NATO: The First Five Years* (Paris: 1955), p 38; rpt, John H Bruins, First Sec, US Emb in UK, to Sec/State, 21 Sep 49, on mtg of MPSB, N7-1-(1)-A.3, RG 330.
14. Memo, FT Greene for Lemnitzer, 3 Jan 50, sub: Necessity for Ratification of Bilateral MDAP Agreements under Sec 402 of Mutual Defense Assistance Act, CD 6-2-46, RG 330.
15. In addition to the \$100 million, funds were authorized for transfer or procurement of equipment for foreign governments; these advances would be made in the United States in dollars. Memo, OSD, 5 Nov 49, sub: Proposed Funding and Reporting Procedures for MDAP, N7-1-(1)-B.1, RG 330.
16. Ltr, McNeil to Sec/State, 28 Oct 49, *ibid*.
17. Ltr, James Bruce, Dir, MDA, to Lemnitzer, 3 Nov 49, *ibid*; ltr, Lemnitzer to Bruce, 9 Nov 49, *ibid*; ltrs, Truman to Sec/Def and Sec/State, 23 Nov 49, *ibid*; memo, Lemnitzer for Bruce, 25 Nov 49, sub: Interim Funds for Mutual Defense Assistance, *ibid*.
18. Ltrs, McNeil to Sec/State et al, 30 Nov 49, *ibid*;

- memo, Lyle S Garlock, BoB, for Ralph H Stohl, OSD, 29 Nov 49, sub: Interim Allocation for MDAP for FY 1950, *ibid*.
19. Memos, Lt Col Twitchell for Duff et al, 19 Oct 49, sub: Estimate of Fund Advances MAP, N7-1-(1)-B, RG 330. Out of the \$50 million which the Army desired, almost \$18 million would be for token shipment. Memo, Sec/Army for Sec/Def, 29 Oct 49, N7-1-(1)-B.1, RG 330.
 20. Memo, Lemnitzer to Duff et al, 4 Nov 49, sub: Token Shipments, *ibid*.
 21. Telg 4622, Douglas to Sec/State, 19 Nov 49, 840.20/11-1949, RG 59. Douglas was reporting the opinion of ECC as expressed in its meeting of 17 November 49. See N7-1-(1)-B.1, RG 330.
 22. Rpt 5030.4, Off of Intell Research, Dept/State, 30 Aug 49, sub: Reaction in Foreign Countries to MAP, N7-1-(4)-C, RG 330.
 23. Memo, Lt Col Edwin F Black, GSC, Dept/Army, for Gruenther, 3 Oct 49, sub: Establishment of Limited MAP Airlift To Stimulate Western European Morale, N7-1-9, RG 330.
 24. Memo, Duff for Sec/Def, 5 Oct 49, sub: Proposal to Establish Limited MAP Airlift to Stimulate European Morale, *ibid*; Ltr, Lemnitzer to Gruenther, 6 Oct 49, *ibid*.
 25. Ltr, Lemnitzer to Gruenther, *ibid*.
 26. Memo, Maj Gen Charles L Bolte, P&O Div, Dept/Army, for Sec/Def, 20 Oct 49, sub: Forecast of Initial Deliveries of US Supplies, MDAP, CD 6-2-46, RG 330.
 27. Memo, Duff for Lemnitzer, 22 Sep 49, sub: Implementation of Military Aid Program, N7-1, RG 330.
 28. Ltr, McNeil to Sec/State, 28 Oct 49, N7-1-(1)-B.1, RG 330.
 29. Memo for file, Ohly, 1 Dec 49, sub: Conf on 1951 Budget Msg, 840.20/12-149, *FRUS*, 1949, 1, 412.
 30. Memo, Adm Louis Denfeld, CNO, for Sec/Def, 23 Sep 49, sub: Reprogramming with FY 1950 Foreign MAP, with app A, p 1, CD 6-2-46, RG 330.
 31. Memo, William Bray, Dept/State, for Twitchell, 13 Sep 49, sub: Terms of Reference in Redefining Military Objectives under MAP for Fiscal Year, N7-1, RG 330.
 32. Memo, Denfeld for Twitchell, 23 Sep 49, app A, pp 3ff, CD 6-2-46, RG 330.
 33. *Ibid*, app C.
 34. Memo, Lemnitzer for Maj Gen James H Burns, USA (Ret), Asst to Sec/Def for Military Affairs and Military Assistance, 22 Sep 49, sub: French Military Budget, N7-1-(3)-A.2, RG 330.
 35. Telg 1193, Robert D Coe, US Chargé in Netherlands, to Sec/State, 30 Nov 49, 840.20/11-30-49, RG 59.
 36. Memo, Richard B Freund, Dept/State, for Douglas, 14 Nov 49, N7-1-(1)-D.2, RG 330; p rel 879, Dept/State, 9 Nov 49, US Dept/State Bulletin 21 (1949), 791.
 37. Telg 4159, Sec/State to Emb in UK, 18 Nov 49, 840.20/11-1849, *FRUS*, 1949, 4, 351-52.
 38. Ltr, Lloyd Berkner, Chm, FACC, to Robert B Eicholz, FACC, 28 Jul 49, N7-1-(1)-A.1, RG 330.
 39. Ltr, Sec/Def to Sec/State, 15 Apr 49, CD 6-2-46, RG 330; Ltr, Acting Sec/State to Sec/Def, 24 May 49, *ibid*.
 40. Memo, Sec/Def for Sec/Army et al, 21 Jun 49, sub: Retransfers to WU Countries of Lend-Lease Articles Held by British Govt, CD 6-2-46, RG 330; memo, Sec/Navy and Sec/Air Force for Sec/Def, 8 Jul 49, *ibid*; memo, Lutes for Sec/Def, 22 Jul 49, *ibid*.
 41. Telg Toeca 1611, Lindley (in London) to ECA, 14 Oct 49, N7-1-(1)-A.2, RG 330. This matter was discussed at the 17th meeting of the Western Union's Financial and Economic Committee, 11-12 October 1949.
 42. Not every ally considered the problem in those terms. Italy was reluctant to accept British goods, such as planes and engines, because it preferred U.S. types and feared that Britain's supply might be limited. Telg 3834, James Clement Dunn, US Amb in Italy, to Sec/State, 24 Nov 49, 840.20/11-2449, RG 59.
 43. Telg 3281, Douglas to Sec/State, 18 Aug 49, 840.20/8-1849, RG 59.
 44. Memo, Edward Dickinson, FACC, for John O Bell, Chm, FACC, 29 Nov 49, sub: Suggestions for US Policy in NAT Finance and Economic Cte, N7-1-(1)-A.2, RG 330.
 45. Telg 3281, Douglas to Sec/State, 18 Aug 49, 840.20/8-1849, RG 59.
 46. Telg 1228, Millard to Sec/State, 12 Sep 49, 840.20/9-1249, RG 59; telg 1125, Acting Sec/State to Emb in Belgium, 20 Sep 49, 840.20/9-949, RG 59.
 47. Telg 1361, Millard to Sec/State, 11 Oct 49, 840.20/10-1149, RG 59; telg 1533, Millard to Sec/State, 17 Nov 49, 840.20/11-1749, RG 59.
 48. Telg 1242, Sec/State to Emb in Belgium, 25 Oct 49, 840.20/10-1149, RG 59; telg 1302, Millard to Sec/State, 27 Sep 49, 840.20/9-2749, RG 59; telg 4698, Douglas to Sec/State, 24 Nov 49, 840.20/11-2449, RG 59.
 49. Memo, Dickinson for Bell, 29 Nov 49, N7-1-(1)-A.2, RG 330.
 50. P rel 879, Dept/State, 9 Nov 49, US Dept/State Bulletin 21 (1949), 791.
 51. Memo, Twitchell for Duff et al, 3 Nov 49, sub: Departure of Survey Teams to Europe, N7-1-(1)-D.2, RG 330.
 52. US Congress, House, Subcte on Cte on Appropriations, *Second Supplemental Appropriation Bill for 1950*, hearings, 81st Cong, 1st sess, pp 243-48.
 53. Telg 4023, Holmes to Sec/State, 7 Oct 49, 840.20/10-749, RG 59; memo, Twitchell for Lemnitzer, 23 Nov 49, sub: Rpt of Activities of Survey Team, 10-19 Nov 49, N7-1-(1)-D.2, RG 330.
 54. Memo, Lemnitzer for Bruce, 2 Nov 49, sub: Proposed Visit of Military Personnel to Korea, Philippines, and Iran, N7-1-(1)-D.2, RG 330.
 55. Telg 886, Wiley to Sec/State, 7 Jul 49, N7-1-(3)-B.12, RG 330; telg 656, Sec/State to Emb in Iran, 23 Jul 49, *ibid*; telg 999, Wiley to Sec/State, 12 Aug 49, *ibid*.
 56. Telg 1085, Wiley to Sec/State, 5 Sep 49, *ibid*; memcon, 22 Sep 49, on Iranian participation in MAP, with participants from State, Army, and Iranian Emb, *ibid*; telg 1522, Wiley to Sec/State, 18 Nov 49, *ibid*.
 57. H Doc 613, 81st Cong, 2d sess, pp 35-36, 68-72.
 58. There had been similar fears in the summer of 1948 over the ECA bilaterals, but most had been stilled after clarification of U.S. intentions. See Campbell, ed. *The United States in World Affairs, 1948-1949*, pp 155-57.

59. Memo, Greene for Lemnitzer, 21 Nov 49, sub: Initial Discussion with Italians of Bilateral MDAP Agreement, Draft of 2 Nov 49, N7-1-(1)-F.3, RG 330; memo, Greene for Lemnitzer, 23 Nov 49, sub: Initial Discussion with Norwegians, 23 Nov 49, *ibid*.
60. Telg 1594, Robert D Murphy, US Amb in Belgium, to Sec/State, N7-1-(3)-A.1, RG 330; telg 1546, Millard to Sec/State, *ibid*. The Allies expressed their resentment obliquely in the request for joint action with Western Union rather than in explicit protests. Telg 3773, Acting Sec/State to Emb in France, 4 Oct 49, 840.20/9-2949, *FRUS*, 1949, 4, 668. State did recognize the importance, however, of avoiding an impression that the United States was reviewing the French military budget.
61. Telg 4569, Douglas to Sec/State, 22 Nov 49, N7-1-(1)-F.3, RG 330. The objectionable quotation was removed from draft 12, FACC D-5/2, 27 Oct 49. FACC had originally suggested "consultation," connoting two-way discussions, but had settled for "notification" as a concession to the Europeans. Memo, Greene for Lemnitzer, 27 Sep 49, sub: Issues between Dept/State and DoD as to Text of Draft Interim Bilateral MDAP Agreements, *ibid*.
62. Memo, Greene for Lemnitzer, 5 Dec 49, sub: Initial Discussion with French . . . on 2 Dec 49, CD 6-2-46, RG 330.
63. Memo, Twitchell for Duff et al, 7 Oct 49, with Harriman's telg attached, N7-1-(1)-F.3, RG 330.
64. The bilateral agreements were signed on 27 January 1950.
65. Telg 567, C Ulrick Bay, US Amb in Norway, to Sec/State, 18 Aug 49, N7-1-(3)-B.7, RG 330. This was the opinion of the conservative Oslo newspaper *Morgenbladet*.
66. Telg 831, Edward J Sparks, US Chargé in Denmark, to Sec/State, 28 Nov 49, N7-6-B.8, RG 330; telg 818, Henry S Villard, US Chargé in Norway, to Sec/State, 25 Nov 49, N7-1-(3)-B.7, RG 330.
67. Telg 3467, Dunn to Sec/State, 30 Oct 49, N7-1-(3)-B.2, RG 330.
68. Memo, Greene for Lemnitzer, 5 Dec 49, sub: Initial Discussion with French . . . on 2 Dec 49, CD 6-2-46, RG 330; memo, Lemnitzer for Sec/Def, 25 Jan 50, sub: Impasse with British on Provision in MDAP Bilateral Agreement of Diplomatic Immunities for MDAP Military and Civilian Personnel, *ibid*.
69. Telg 5106, David KE Bruce, US Amb in France, to Sec/State, 3 Dec 49, 851.20/12-349, *FRUS*, 1949, 4, 681.
70. *Ibid*.
71. Telg 591, Acting Sec/State to Emb in Denmark, 29 Nov 49, N7-1-(3)-B.8, RG 330.
72. Circular telg, Sec/State to certain diplomatic offices in Europe, 30 Nov 49, N7-1-(1)-F.3, RG 330; telg 1360, Sec/State to Emb in Belgium, 18 Nov 49, N7-1-(3)-A.1, RG 330; memo, Lemnitzer for Duff et al, 17 Nov 49, sub: Activation of Military Assistance Overseas Organizations, N7-1-D, RG 330. Provision was made, however, to send a few key personnel to Title I countries immediately.
73. Brookings Institution, *Current Developments in United States Foreign Policy*, Nov 49, p 3.
74. Telg, Harriman to ECA, 30 Sep 49, N7-1-(3)-A, RG 330.
75. Memo, Greene for Lemnitzer, 23 Nov 49, sub: Initial Discussion with Norwegians . . . on 23 Nov 49, N7-1-(1)-F.3, RG 330; memo, Greene for Lemnitzer, 5 Dec 49, sub: Initial Discussion with French . . . on 2 Dec 49, CD 6-2-46, RG 330.
76. Telg 3781, Dunn to Sec/State, 22 Nov 49, N7-1-(3)-B.2, RG 330. Italy seemed more appreciative of the U.S. position than the other Allies, and made explicit promises to prohibit export of all war materiel.
77. Telg 4202, Sec/State to Emb in France, 2 Nov 49, 840.20/11-249, *FRUS*, 1949, 4, 350-51.
78. Memo, Greene for Lemnitzer, 24 Oct 49, sub: MAP Bilateral Agreements—FACC Mtg of 21 Oct 49, N7-1-(1)-F.3, RG 330.
79. Brookings Institution, *Current Developments in United States Foreign Policy*, Nov 49, p 3.
80. Memo, Twitchell for Duff et al, 7 Oct 49, with Harriman's telg of 29 Sep 49 attached, N7-1-(1)-F.3, RG 330; sum rcd, mtg of US Ambs, Paris, 21-22 Oct 49, 740.00119 Council/11-749, *FRUS*, 1949, 4, 482.
81. Memo, Greene for Lemnitzer, 27 Sep 49, sub: Issues between Dept/State and DoD as to Text of Draft Interim Bilateral MDAP Agreements, N7-1-(1)-F.3, RG 330.
82. Italics in source text.
83. Paper, FACC D-5/2 (draft 12), 27 Oct 49, N7-1-(1)-F.3, RG 330.
84. Memo, Capt WB Thorp, MB, for Twitchell, 2 Oct 49, sub: Draft of Interim Bilateral MAP Agreement—Iran, Korea, Philippines, *ibid*.
85. Telg 556, Acting Sec/State to Emb in Denmark, 15 Nov 49, N7-1-(3)-B.8, RG 330. A secret annex to the MDAP bilateral agreement referred to a decision, made at Paris in November 1949, recommending establishment of a permanent consultative group to supervise export controls. Memo, Greene for Lt Cdr CL Barry, 16 May 50, sub: Secret Annexes to MDAP Bilateral Agreements, CD 6-2-46, RG 330.
86. Memo, Greene for Lemnitzer, 5 Dec 49, sub: Initial Discussion with French . . . on 2 Dec 49, CD 6-2-46, RG 330.
87. Brookings Institution, *Current Developments in United States Foreign Policy*, Feb 50, p 25; *ibid*, Mar 50, p 26; *New York Times*, 21 Feb 50.
88. US Dept/State *Bulletin* 21 (1949), 909.
89. H Doc 613, 81st Cong, 2d sess, pp 35-36. The agreements were substantially similar, the details varying in recognition of the special problems of individual countries. The agreements with Denmark and Italy were effective on signature; those with Norway, Belgium, and Luxembourg required subsequent ratification; those with France and the Netherlands were immediately effective but were subject to termination at U.S. option if notices of ratification were not delivered within 45 days of signature.
90. In general, ECA accepted the Defense approach to export controls, but followed State on the particular issue of technological information. Memo, Greene for Lemnitzer, 24 Oct 49, sub: MAP Bilateral Agreements—FACC mtg of 21 Oct 49, N7-1-(1)-F.3, RG 330.
91. Memo, Herbert L Merillat, ECA, for Herman B Director, Div of Organization, Dept/State, 18 Oct

- 49, sub: Comments on FACC D-9/8, ECA file 53A441, General Archives Div, Natl Archives, Suitland, Md; memo, Merrillat for Director, 21 Oct 49, *ibid*.
92. Memo, Lt Col Charles H Bonesteel, ECC, for Al Henderson, ECA, 25 Feb 49, sub: Organization in ECA to Deal with MAP, ECA file "MDAP Organization," General Archives Div, Natl Archives, Suitland, Md.
93. Telg Repto 3407, Katz to Hoffman, 31 Mar 49, ECA file 53A278, *FRUS*, 1949, 4, 257-58.
94. Memo, Dickinson for Bell, 29 Nov 49, sub: Suggestions for US Policy in NAT Finance and Economic Cte, N7-1-(1)-A.2, RG 330.
95. Telg 3705, Harriman to FACC, 29 Sep 49, N7-1-(1)-F.3, RG 330.
96. Dept/State announce 194, 25 Oct 49, sub: Establishment of Off of Dir of Mutual Defense Assistance, US Dept/State *Bulletin* 21 (1949), 791-92.
97. Memo, RD Snow, DoD rep, Progress Reporting Cte, for Lemnitzer, 3 Oct 49, sub: Policy Guidance for Progress Reporting Cte, MAP, Defense Member, attach B, N7-1-D, RG 330.
98. *Ibid*.
99. Ltr, Joseph H Taggart, US Rep, Military Cte, to Timberlake, 24 Oct 49, N7-1-(1)-B.1, RG 330; memo, Taggart for Capt JT Warren, 24 Oct 49, sub: Transportation from US of Civilian Cars, *ibid*.
100. Memo, Sec/Army for Sec/State, 11 Jan 50, sub: Patent Article of MDAP Bilateral Agreement, CD 6-2-46, RG 330.
101. Ltr, Burns to Bruce, 12 Jan 50, *ibid*.
102. Memo, Snow for Lemnitzer, 3 Oct 49, sub: Policy Guidance for Progress Reporting Cte, MAP, Defense Member, N7-1-(1)-B.1, RG 330.
103. Memo, Snow for Lemnitzer, 18 Nov 49, sub: Rpt of Areas of Current Disagreement between State and Defense in Connection with MDAP, N7-1-D, RG 330.
104. *Ibid*; memo, Snow for Lemnitzer, 3 Oct 49, sub: Policy Guidance for Progress Reporting Cte, MAP, Defense Member, attach A, N7-1-D, RG 330.
105. Memo, Snow for Lemnitzer, 9 Nov 49, sub: Report of Interdepartmental Cte Mtg Held in Dept/State, 8 Nov 49, *ibid*.
106. *Ibid*.
107. Memo, Snow for Lemnitzer, 18 Nov 49, sub: Rpt of Areas of Current Disagreement between State and Defense in Connection with MDAP, *ibid*.
108. *Ibid*; memo, Sec/Army for Sec/Def, 4 Nov 49, sub: Request for Information on Programs Proposed for Discussion with Foreign Countries Concerned, CD 6-2-46, RG 330; memo, Snow for Lemnitzer, 14 Nov 49, sub: Discussion on 10 Nov with State Department Personnel on Programming, N7-1-D, RG 330; memo, Snow for Lemnitzer, 3 Oct 49, Policy Guidance for Progress Reporting Cte, MAP, Defense Member, attaches B and C, *ibid*. This situation developed despite a Defense request that State use OSD as "the point of interdepartmental contact" instead of communicating directly with the Services. Ltr, Sec/Def to Sec/State, 16 Sep 49, *ibid*.
109. Memo, Snow for Lemnitzer, 3 Oct 49, sub: Policy Guidance for Progress Reporting Cte, MAP, Defense Member, attach D, N7-1-D, RG 330; memo, Snow for Lemnitzer, 9 Nov 49, sub: Rpt of Interdepartmental Cte Mtg Held in Dept/State, 8 Nov 49, *ibid*; memo, O'Hara for Lemnitzer, 11 Nov 49, sub: Explanatory Data Requested for Interim Allocations for Mutual Defense Assistance, N7-1-(1)-B.1, RG 330.
110. Memo, Lemnitzer for Dir, MDA, 9 Nov 49, N7-1-(1)-B.1, RG 330; H Doc 613, 81st Cong, 2d sess, p 22.
111. Memo for file, Halaby, 10 Jan 50, sub: Third Sess, NAT Council (Jan 50), Dept/State, CD 6-4-18, RG 330. State wanted to delay transmittal of Council recommendations to the President until the bilaterals were signed. Halaby believed that the issues were separate, and thought that there should be no delay because the transmittal machinery was so slow. Circular telg, Sec/State to certain diplomatic offices, 18 Jan 50, 740.5 MAP/1-1850, *FRUS*, 1950, 3, 7-9. State considered that it would be "bad psychology" if the strategic concept were approved before bilateral agreements had been completed.
112. House, Cte on Foreign Affairs, *Mutual Defense Assistance Act of 1949*, 81st Cong, 1st sess, 29 Jul 49, pp 69-72.
113. Memo, Greene, 3 Nov 49, sub: Interpretation of Secs 102 and 103 of MDA of 1949 . . . Relative to Recommendations for Integrated Defense of North Atlantic Area, pp 4-5, N7-1-(1)-B, RG 330; rpt DC 6/1, approved by North Atlantic Defense Cte, 1 Dec 49, sub: Strategic Concept for Defense of the North Atlantic Area, 840.20/12-149, *FRUS*, 1949, 4, 353-58.
114. Brookings Institution, *Current Developments in United States Foreign Policy*, Nov 49, p 24; *ibid*, Dec 49, p 19; *ibid*, Jan 50, pp 27-28; memo, Halaby for Sec/Def, 29 Dec 49, sub: Next Mtg of NAC, CD 6-4-18, RG 330. A budget for the Standing Group was the only issue expected to require much time.
115. Mins, 1st mtg of North Atlantic Defense Cte, 5 Oct 49, p 9, CD 6-4-18, RG 330.
116. Memcon, Acheson, of conv with Sec/Def, 16 Dec 49, 840.20/12-1649, *FRUS*, 1949, 4, 362-64.
117. Rpt, DC 6/1, approved by North Atlantic Defense Cte, 1 Dec 49, sub: Strategic Concept for Defense of North Atlantic Area, 840.20/12-149, *ibid*, p 355; memcon, Douglas MacArthur 2d, Dept/State, 3 Dec 49, 840.20/12-349, *ibid*, pp 357-58.
118. Memo, Acheson for Truman, 3 Jan 50, sub: Strategic Concept for Integrated Defense of North Atlantic Area, 740.5 MAP/1-350, *FRUS*, 1950, 3, 1.
119. *New York Times*, 28 Jan 50.
120. Memo, Gen Omar N Bradley, Chm, JCS, for Sec/State, 26 Jan 50, sub: Military Objectives in Military Aid Program, CD 6-2-46, RG 330.
121. *Ibid*. A report of the Operations Research Office, Johns Hopkins University, emphasized that "insofar as security of lines of communications is concerned," Spain and Africa were less vulnerable than NATO countries. "Project Maid," 21 Jan 50, pt 1, p 4, folder 5, CD 6-2-46, RG 330. A JCS memo of 5 January 1949 had already made clear the importance of Spain in Europe's defense, but recognized that political considerations might preclude military aid. See *FRUS*, 1949, 4, 12-13.
122. Memo, Bradley for Sec/State, 26 Jan 50, sub: Military Objectives in Military Aid Program, CD 6-2-46, RG 330.

123. Memo, Sec/Army for Sec/Def, 3 Mar 50, sub: Delivery Schedules for MDAP, *ibid*.

Chapter V, pages 71-83

1. PL 329, 81st Cong, 1st sess, Mutual Defense Assistance Act of 1949, "Findings and Declaration of Policy," *US Statutes at Large*, 1949, 63 (pt 1), 714.
2. Robert E Osgood, "NATO: Problems of Security and Collaboration," *American Political Science Review* 54 (1960), 126.
3. Theodore H White, "The Job Eisenhower Faces: The Tangled Skein of NATO," *The Reporter* 4 (1951), 4; Royal Institute of International Affairs, *Atlantic Alliance: NATO's Role in the Free World* (London: Royal Institute of International Affairs, 1952), pp 52-53.
4. *New York Times*, 26 Jan 50; *ibid*, 26 Apr 50.
5. Sum rcd, mtg of US Ambs, Rome, 22-24 Mar 50, 740.5/3-2450, *FRUS*, 1950, 3, 823-24.
6. *Le Monde*, 5 Apr 50.
7. Richard P Stebbins, ed, *The United States in World Affairs, 1950* (New York: Harper & Bros, 1951), p 128; see also *New York Times*, 17 Apr 50, for Bidault plan, and telg 1736, Bruce to Sec/State, 15 Apr 50, 740.5/4-1550, *FRUS*, 1950, 3, 54.
8. Telg 1827, Bruce to Sec/State, 20 Apr 50, 740.5/4-2050, *FRUS*, 1950, 3, 57-58.
9. Senate, Cte on Foreign Relations, *North Atlantic Treaty*, 81st Cong, 1st sess, 28 Apr 49, pt 1, pp 146-47 (Johnson testimony).
10. House, Cte on Foreign Affairs, *Mutual Defense Assistance Act of 1949*, 81st Cong, 1st sess, 28 Jul 49, pp 15-16 (Acheson testimony).
11. Vandenberg, ed, *The Private Papers of Senator Vandenberg*, pp 479, 502-503.
12. Bernard Brodie, "Strategic Implications of the North Atlantic Pact," *Yale Review* 39 (1949), 192-208. The article has a good discussion of military Service views on NATO and military assistance in 1949.
13. *Cong Rcd*, 11 Jul 49, 95 (pt 7), 9206-8. See also Henry W Berger, "Senator Robert A. Taft Dissents from Military Escalation," in Thomas G Paterson, ed, *Cold War Critics: Alternatives to American Foreign Policy in the Truman Years* (Chicago: Quadrangle Books, 1971), pp 184-86.
14. US Congress, Senate, Ctes on Foreign Relations and Armed Services, *Military Assistance Program*, hearings, 81st Cong, 1st sess, 8 Aug 49, p 8 (Acheson testimony). Bradley went into more detail on balanced collective forces in his testimony before a House committee. See House, Cte on Foreign Affairs, *Mutual Defense Assistance Act of 1949*, 81st Cong, 1st sess, 29 Jul 49, pp 70-71.
15. The treaty was approved by the Senate, 82 to 13. The MDAA was approved by the House, 223 to 109, and by the Senate on a voice vote.
16. To preserve the constitutional powers of Congress to declare war, the Administration explained at the hearings that Congress could take such action as it deemed necessary. See Article 5 of the NAT and Acheson's radio address, 18 Mar 49, in McGeorge Bundy, ed, *The Pattern of Responsibility* (Boston: Houghton Mifflin, 1952), pp 61-64.
17. Rpt, DC 6/1, approved by the North Atlantic Defense Cte, 1 Dec 49, sub: Strategic Concept for Defense of North Atlantic Area, 840.20/12-149, *FRUS*, 1949, 4, 355.
18. Annoyance with this situation was vigorously expressed in "The Defense of Europe," *Fortune* 42 (1950), 76ff.
19. This note was sounded not only at the NATO Council meeting in London in May 1950 but even after the Korean invasion. See US Congress, House, Cte on Foreign Affairs, H Rpt 2538, *Extending the Mutual Defense Assistance Act of 1949*, 81st Cong, 2d sess, p 3.
20. US Congress, House, Cte on Foreign Affairs, *To Amend the Mutual Defense Assistance Act of 1949*, hearings, 81st Cong, 2d sess, 5 Jun 50, p 26 (Johnson testimony).
21. At the Senate hearings on the \$4 billion appropriation requested after the outbreak of the Korean War, Acheson admitted that the \$1 billion asked for earlier had been to equip only those forces called for by the "existing budgets" of the European treaty allies. This was regarded as a first step toward the gradual rebuilding of Europe's defenses. Acheson's public claims notwithstanding, those "existing budgets" were not drawn up in strict accordance with the strategic concept. North Atlantic Council, Resolution 4/9, 20 May 50, Sum Rcd of Decisions, 15-18 May 50, R-4/7, RG 59. US Congress, Senate, Cte on Appropriations, *Supplemental Appropriations for 1951*, hearings, 81st Cong, 2d sess, 2 Aug 50, p 278.
22. Ltr, Sec/State to Sec/Def, 24 Mar 50, CD 6-2-46, RG 330. This letter illustrates the problems that were most disturbing to the Administration.
23. House, Cte on Foreign Affairs, *To Amend the Mutual Defense Assistance Act of 1949*, 81st Cong, 2d sess, 5 Jun 50, p 32.
24. Brown and Opie, *American Foreign Assistance*, pp 482-83.
25. Ismay, *NATO*, p 102; Roger Hilsman, "NATO: The Developing Strategic Context," in Klaus Knorr, ed, *NATO and American Security* (Princeton: Princeton Univ Press, 1959), p 14; James E King, Jr, "NATO: Genesis, Progress, Problems," in Gordon B Turner and Richard D Challener, eds, *National Security in the Nuclear Age: Basic Facts and Theories* (New York: Praeger, 1960), p 150.
26. Warner R Schilling, "The Politics of National Defense: Fiscal 1950," in Warner R Schilling, Paul Y Hammond, and Glenn H Snyder, *Strategy, Politics, and Defense Budgets* (New York: Columbia Univ Press, 1962), p 220.
27. *Ibid*, p 227.
28. Paul Y Hammond, "NSC-68: Prologue to Rearmament," *ibid*, pp 275-76.
29. Schilling, "The Politics of National Defense: Fiscal 1950," *ibid*, pp 230-31.
30. Samuel P Huntington, *The Common Defense: Strategic Programs in National Politics* (New York: Columbia Univ Press, 1961), pp 314-15; rpt, NSC 68, Sec/State and Sec/Def to Truman, 7 Apr 50, *FRUS*, 1950, 1, 250-51.
31. House, Cte on Foreign Affairs, *To Amend the Mutual Defense Assistance Act of 1949*, 81st Cong, 2d sess, 5 Jun 50, p 26 (Johnson testimony).
32. *Ibid*, p 27.
33. Irving L Janis, *Victims of Groupthink: A Psychological Study of Foreign-Policy Decisions and Fiascos* (Boston: Houghton Mifflin, 1972), p 9.
34. Huntington, *The Common Defense*, pp 312-13.
35. *Ibid*, p 47.
36. Operations Research Off, Johns Hopkins Univ, "Project Maid," 21 Jan 50, pt 1, p 5, CD 6-2-46, RG 330.

37. MIN/TRI/P/13 Final, "Declaration for the Three Foreign Ministers on Germany," London, 22 May 50, *FRUS*, 1950, 3, 1090.
38. Hammond, "NSC-68: Prologue to Rearmament," *Strategy, Politics, and Defense Budgets*, p 290.
39. Huntington, *The Common Defense*, p 48.
40. Ibid, pp 48-49.
41. Rpt, NSC 68, Sec/State and Sec/Def to Truman, 7 Apr 50, *FRUS*, 1950, 1, 237, 282.
42. Ibid, p 281.
43. Ibid, p 280.
44. Ibid, p 279.
45. Ibid, pp 250, 286.
46. Ibid, p 250.
47. Memo, Frank Whitehouse, Off of Economic Programs, DoD, to Burns, 22 May 50, sub: Mtg of Program Subcte of Ad Hoc Cte on NSC 68, CD 16-1-17, RG 330.
48. Memo, Sec/Army for Sec/Def, 22 Mar 50, *ibid*. See also memo, USec/Army for Sec/State, 10 Apr 50, *FRUS*, 1950, 3, 48.
49. Memo, USec/Army for Sec/State, 10 Apr 50, *FRUS*, 1950, 3, 46-47.
50. Hammond, in "NSC-68: Prologue to Rearmament," *Strategy, Politics, and Defense Budgets*, pp 319-20, speculates that frayed nerves in the Air Force and Navy, as a result of the public dispute over strategy, inhibited the military. The report suggested that strategic air power was insufficient to assure victory—a point which the Air Force did not wish to surface. See also Acheson, *Present at the Creation*, p 377.
51. Ibid, pp 373-74; Hammond, "NSC-68: Prologue to Rearmament," *Strategy, Politics, and Defense Budgets*, pp 324-25; memcon, Schwartz, 22 Mar 50, *FRUS*, 1950, 1, 203-206.
52. Hammond, "NSC-68: Prologue to Rearmament," *Strategy, Politics, and Defense Budgets*, p 323.
53. Memo, Burns for Sec/Def, 13 Mar 50, sub: Progress Rpt on Discussions with State Dept with Reference Review of Our Overall Diplomatic and Strategic Position, CD 16-1-17, RG 330.
54. Int with Lemnitzer, 21 Mar 74, pp 35-40.
55. Mins, mtg of State-Defense Policy Review Group, 2 Mar 50, *FRUS*, 1950, 1, 176ff; memo, Edward W Barrett, ASec/State for Public Affairs, for USec/State, 6 Mar 50, sub: Public Reaction toward Possible Adoption of Stronger Foreign Policy, 611.00/3-650, *ibid*, pp 185-86; memo, Bohlen for Nitze, 5 Apr 50, *ibid*, pp 221-25; Bohlen, *Witness to History*, p 291.
56. Memo, William F Schaub, BoB, for James S Lay, Jr, Exec Sec, NSC, 8 May 50, sub: Comments of BoB, *FRUS*, 1950, 1, 298-306.
57. Kennan, *Memoirs, 1925-1950*, pp 471-76.
58. Daniel Yergin, *Shattered Peace: The Origins of the Cold War and the National Security State* (Boston: Houghton Mifflin, 1977), pp 402-403, saw NSC 68 as a drastic change, with its premises accepted as quickly as and completely as the "long telegram" 4 years earlier. The JCS, however, in August 1950, lumped together NSC 20/4 and NSC 68 as being "too broadly worded to meet post-Korean problems." Memo, JCS for Sec/Def, 22 Aug 50, sub: Statement of US and Allied Objectives in Event of Global War, Harry S Truman Library.
59. Hammond, "NSC-68: Prologue to Rearmament," *Strategy, Politics, and Defense Budgets*, p 294; rpt, NSC 68, Sec/State and Sec/Def to Truman, 7 Apr 50, *FRUS*, 1950, 1, 287-88.
60. Memo, Lay for Ad Hoc Cte on NSC 68, 28 Apr 50, *FRUS*, 1950, 1, 294-96.
61. Memo, Sec/Army for Sec/Def, 22 Mar 50, CD 16-1-17, RG 330.

Chapter VI, pages 85-100

1. Hilsman, "NATO: The Developing Strategic Concept," *NATO and American Security*, p 14.
2. Ibid, pp 15-16.
3. Ibid, pp 14-15.
4. King, "NATO: Genesis, Progress, Problems," *National Security in the Nuclear Age*, pp 150-51.
5. Robert E Osgood, *NATO: The Entangling Alliance* (Chicago: Univ of Chicago Press, 1962), p 47.
6. Work of the committees is summarized in *FRUS*, 1951, 3, 1.
7. Msg, Sec/Def to all NATO Defense Ministers, 16 Feb 50, CD 6-4-18, RG 330; memo, Col RE Beebe, Off of Foreign Military Affairs, DoD, for MacArthur, 20 Apr 50, *ibid*.
8. House, Cte on Foreign Affairs, *To Amend the Mutual Defense Assistance Act of 1949*, 81st Cong, 2d sess, 5 Jun 50, p 25.
9. Draft rpt, Off of European Regional Affairs Dept/State, 27 Apr 50, sub: US Position on Items 2 and 3 of NAC Tentative Agenda, 896.1 LO/4-2750, *FRUS*, 1950 3, 72ff; this rpt was circulated as FM D B-2/lb, sub: Review of Progress in Implementing NAT.
10. Ltr, Sec/State to Sec/Def, 24 Mar 50, CD 6-2-46, RG 330.
11. Memo, Beebe to Col Harry Storke, USAF, 2 May 50, CD 6-4-18, RG 330.
12. Memo, Cdr AR Matter, USN, for Norris L Hasleton, Dept/State, 27 Mar 50, sub: Status Rpt, NAT Affairs, *ibid*. Ambassador Selden Chapin, at The Hague, noted the discouragement of Dutch Foreign Minister Stikker over lack of coordination and organization. Telg 289, Chapin to Sec/State, 10 Mar 50, 756.5/3-1050, *FRUS*, 1950, 3, 29.
13. Teleg 156, Holmes to Harriman, 31 Jan 50, 740.5 MAP/1-3150, *FRUS*, 1950, 3, 13.
14. Draft rpt, Off of European Regional Affairs, Dept/State, 27 Apr 50, sub: US Position on Items 2 and 3 of NAC Tentative Agenda, 896.1 LO/4-2750, *FRUS*, 1950, 3, 72-73.
15. Ibid.
16. Ibid. According to Royal Institute of International Affairs, *Atlantic Alliance*, p. 78, the MPSB "seemed at first as if it was intended to do everything in liaison with everybody without power to do anything except to give advice."
17. Memo, MPSB (50) 16, 22 Jun 50, sub: Agreement between Harriman, Howard, and Bradley, 7 Jun 50, attached to memo, Bradley to Sec/Def, 13 Jul 50, CD 092.3, RG 330.
18. The Study Group of the Royal Institute of International Affairs felt that the communique, between the lines, revealed the Council's alarm over the cost of defense and emphasized burden-sharing to assure the public that Europe's resources, if carefully applied, would be sufficient to achieve securing without impairing social and economic progress. Royal Institute of International Affairs, *Atlantic Alliance*, p 52.
19. Stebbins, ed, *The United States in World Affairs, 1950*, p 129.
20. Communique, 18 May 50, in Ismay, *NATO*, p 183; see *ibid*, p 28.

21. US Congress, H Doc 119, 82d Cong, 1st sess, p 13.
22. The JCS wanted to make sure that utilization of shipping would be in the hands of the Board after allocations had been made. Memo, Stephen T Early, Acting Sec/Def, for Sec/Def, 17 Feb 50, CD 6-4-18, RG 330; memo, Matter, sub: Planning Board for Ocean Shipping—Status of, 17 Mar 50, *ibid*.
23. The sense of urgency is clearly revealed in Acheson's ltr to Sec/Def, 24 May 1950, CD 6-2-46, RG 330.
24. Memo, Sec/Def Louis Johnson for Bradley, 3 May 50, sub: NATO and US Participation, CD 6-4-18, RG 330; speech, Bradley, Chicago Council of Foreign Relations, 14 Apr 50, in Stebbins, ed, *The United States in World Affairs, 1950*, p 126.
25. Rpt, JCS 1868/100, Dir, Jt Staff, to JCS, 18 Aug 50, sub: JCS Recommended Position with Respect to Military Organization under NAT, p 719, CCS 092 Western Europe (3-12-48), sec 26, RG 218.
26. Memo, Johnson for Bradley, 3 May 50, sub: NATO and US Participation, CD 6-4-18, RG 330.
27. The Defense budget for 1949 and 1950 was \$13.9 billion, while Johnson contemplated for 1951 a \$13 billion ceiling in his testimony before the House Armed Services Committee in October 1949. US DoD, *Semiannual Report of the Secretary of Defense . . . July 1-December 31, 1949* (Washington: GPO, 1950), p 48. See also US DoD, *Second Report of the Secretary of Defense for the Fiscal Year 1949* (Washington: GPO, 1950), p 92.
28. Royal Institute of International Affairs, *Atlantic Alliance*, p 40.
29. Senate, Cte on Foreign Relations, *North Atlantic Treaty*, 81st Cong, 1st sess, 27 Apr 49, pt 1, pp 57, 61, cited by Laurence W Martin, "The American Decision to Rearm Germany," in Harold Stein, ed, *American Civil-Military Decisions: A Book of Case Studies* (University: Univ of Alabama Press, 1963), p 645.
30. House, Cte on Foreign Affairs, *To Amend the Mutual Defense Assistance Act of 1949*, 81st Cong, 2d sess, p 22.
31. Telg 1313, Sec/State to Emb in UK, 23 Mar 50, 740.5/3-2350, *FRUS*, 1950, 3, 32.
32. Sum rcd, mtg of US Amb, Rome, 22-24 Mar 50, 740.5/3-2450, *ibid*, pp 816-17.
33. Ltr, USec/Army to Sec/State, 10 Apr 50, *ibid*, p 44.
34. Konrad Adenauer, *Memoirs, 1945-53*, translated by Beate Ruhm von Oppen (Chicago: Henry Regnery Co, 1966), p 267.
35. Dirk U Stikker, *Men of Responsibility: A Memoir* (New York: Harper & Row, 1966), p 297.
36. Peter Calvocoressi, *Survey of International Affairs, 1949-1950* (London: Oxford Univ Press, 1953), p 155.
37. Quoted in Martin, "The American Decision to Rearm Germany," *American Civil-Military Decisions*, p 650.
38. "Balanced collective forces" was not an equivalent of "integrated forces" but a step in the direction of integrated defense. "Balanced" forces referred to national specialization in weapons and troops, while "integration" connoted a centralized command of these forces.
39. Stebbins, ed, *The United States in World Affairs, 1950*, pp 109-10.
40. Telg 1736, Bruce to Sec/State, 15 Apr 50, 740.5/4-1550, *FRUS*, 1950, 3, 54-55.
41. Telg 385, Bruce to Sec/State, 20 Jul 50, 740.5/7-2050, *ibid*, p 135.
42. Memo, Burns for Sec/Def, 9 Mar 50, sub: NAT, CD 6-4-18, RG 330; memo, Burns for Sec/Def, 27 Mar 50, sub: Progress Rpt on Events Leading to DC and MC Mtgs, *ibid*; brief of telg Depto 62, Spofford to Sec/State, 30 Aug 50, reporting on Bevin-Spofford conv, 4 Aug 50, CD 092.3, RG 330.
43. Royal Institute of International Affairs, *Atlantic Alliance*, p 27.
44. Ltr, Sec/State to Sec/Def, 24 Mar 50, pp 7-8, CD 6-2-46, RG 330.
45. Memo, Allen for JCS, 29 Jun 50, sub: Problems Connected with MDAP, with encls on Netherlands Navy, *ibid*; memo, Ohly for Lemnitzer and Dickinson, 7 Jun 50, sub: Problems Connected with Netherlands Navy, *ibid*.
46. Quoted from a statement of Adm Moorman of Netherlands Navy, *ibid*.
47. Ltr, Jens Christian Hauge, Norwegian Minister of Defense, to Sec/Def, 20 Apr 50, sub: Allocation of Forces for Defense of North European Region, CD 6-4-18, RG 330; ltr, Sec/Def to Hauge, 19 May 50, *ibid*.
48. Memo, Hubert Howard, US Rep, MPSB, for Sec/Def, 26 Jun 50, sub: US Position Concerning the Furnishing of Military Production Programs to MPSB, CD 6-4-18, RG 330; Theodore H White, "The Job Eisenhower Faces: The Tangled Skein of NATO," *The Reporter* 4 (1951), 13-14; memo, Lemnitzer for Sec/Def, 4 May 50, CD 6-2-46, RG 330; memo, Lemnitzer for Sec/Def, 7 Jun 50, *ibid*.
49. Memo, Bray, 23 May 50, sub: Base Requirements in NAT Defense Plans, 700.00/5-1650, *FRUS*, 1950, 3, 126.
50. Memo, Ridgway B Knight, Dept/State, and MacArthur for Llewellyn E Thompson, Jr, Dep A Sec/State for European Affairs, 24 May 50, 740.5/5-2450, *ibid*.
51. Telg Secto 281, Sec/State to Acting Sec/State, 16 May 50, 396.1 LO/5-1650, *ibid*, p 111.
52. Memo, Sec/Army to Sec/Def, 16 Aug 50, sub: Shipments of Equipment under MDAP, CD 091.3, RG 330; Brown and Opie, *American Foreign Assistance*, pp 482-83.
53. Brookings Institution, *Current Developments in United States Foreign Policy*, Mar 50, p 26; UPI releases of 28 Feb and 14 Mar 50.
54. Brookings Institution, *Current Developments in United States Foreign Policy*, Apr 50, p 20.
55. Memo, Sec/Army for Sec/Def, 3 Mar 50, sub: Delivery Schedule MDAP, CD 6-2-46, RG 330.
56. *Ibid*.
57. Memo, Sec/Def for Sec/Army, 28 Mar 50, sub: Mutual Defense Assistance Shipment of Equipment, *ibid*.
58. Memo, Sec/Army for Sec/Def, 11 Apr 50, sub: Mutual Defense Assistance Shipment of Equipment, *ibid*.
59. Encl to memo, Sec/Army to Sec/Def, 11 Apr 50, sub: Study of Delivery Schedules for MDAP, *ibid*.
60. Memo, Sec/Army for Sec/Def, 16 Aug 50, sub: Shipments of Equipment under MDAP, CD 091.3, RG 330.
61. Memo, Sec/Army for Sec/Def, 4 Apr 50, sub: Implementation of MDAP, CD 6-2-46, RG 330. The Army did receive authority in April 1950 to complete minor contracts for reimbursable equipment. Memo, Sec/State for Sec/Def, 22 Jun 50, sub: Procedures Pertaining to Section 408e of PL 329, CD 091.3, RG 330.

62. *New York Times*, 19, 20, 24, and 30 Apr 50.
63. H Doc 613, 81st Cong, 2d sess, p 41; Brown and Opie, *American Foreign Assistance*, p 490.
64. Memo, Sec/Army for Sec/Def, 27 Mar 50, sub: Military Aid to Indigenous Production in Title I Countries, CD 6-2-46, RG 330.
65. Memo, Sec/Army for Sec/Def, 24 Mar 50, sub: Preparation of Background Information for Sec/Def to use at The Hague for Mtg of Defense Cte, encl re Spare Parts, CD 6-4-18, RG 330.
66. House, Cte on Foreign Affairs, H Rpt 2538, 81st Cong, 2d sess, p 23.
67. Memo, Sec/Army for Sec/Def, 27 Feb 50, sub: Extension of FY 1950 MDAP Funds, CD 6-2-46, RG 330; memo, Sec/Navy for Sec/Def, 1 Mar 50, sub: MDAP (Navy), FY 1950, Implementation of, *ibid*.
68. Memo, Sec/Army for Sec/Def, 27 Feb 50, *ibid*.
69. Memo, Sec/Def for Sec/Army et al, 22 Mar 50, sub: Extension of FY 1950 MDAP Program Funds, *ibid*. The FMACC also accepted this view. Paper, FMACC D-4/2, 9 Apr 50, sub: Second Draft of Proposed Amendments to Mutual Defense Assistance Act of 1949, *ibid*.
70. Ltr, Sec/Def to Sec/State, 22 Mar 50, *ibid*.
71. Memo, Sec/Army for Sec/Def, 19 May 50, sub: Extension of FY 1950 MDAP Funds, *ibid*.
72. Memo, Sec/Def for Sec/Army, 26 May 50, sub: Extension of FY 1950 MDAP Funds, *ibid*.
73. Memo, Lemnitzer for Sec/Def, 19 May 50, sub: BoB Hearings on FY 1951 MDAP, *ibid*; memo, Lemnitzer for Sec/Def, sub: Initial Congressional Discussions of FY 1951 MDAP, *ibid*. Ohly and Lemnitzer had begun talks with House leaders on 16 May, while budget hearings did not begin until 18 May.
74. *Ibid*.
75. Greene, at the executive session of 6 June 1950, noted the Committee's favorable response to the Secretary of Defense's approach to the problem. CD 6-2-46, RG 330.
76. PL 621, 81st Cong, 2d sess, *US Statutes at Large*, 1950, 64 (pt 1), 373-77.
77. Memo, Greene for Lemnitzer, 16 May 50, sub: Preliminary Informal Discussion with Leadership of House Foreign Affairs Cte, 16 May, CD 6-2-46, RG 330.
78. *Ibid*; Brown and Opie, *American Foreign Assistance*, pp 483-85.
79. PL 621, 81st Cong, 2d sess, *US Statutes at Large*, 1950, 64 (pt 1), 373-77.
80. Memo, Lemnitzer for Sec/Def, 22 May 50, sub: Initial Congressional Discussions of FY 1951 MDAP, CD 6-2-46, RG 330.
81. Memo, V Adm Arthur Davis, Dir, Jt Staff, OJCS, for Sec/Def, 19 May 50, sub: Military Basis for MDAP FY 1951, *ibid*.
82. Memo, Lemnitzer for Sec/Def, 22 May 50, sub: Initial Congressional Discussions of FY 1951 MDAP, *ibid*; memo, Greene for Lemnitzer, 16 May 50, sub: Preliminary Informal Discussion with Leadership of House Foreign Affairs Cte, 16 May, *ibid*.
83. Memo, Greene for Lemnitzer, 9 Jun 50, sub: First FMACC Hearing before House Foreign Affairs Cte on FY 1951 MDAP, 8 Jun 50, *ibid*; memo, Greene for Lemnitzer, 20 Jun 50, sub: Final Senate Exec Sess Markup on Star Print J 68236-1 on 20 Jun 50, *ibid*.
84. Stebbins, ed, *The United States in World Affairs*, 1950, p 132; *New York Times*, 27 Jul 50.
85. Memo, Greene for Lemnitzer, 9 Jun 50, sub: First FMACC Hearing before House Foreign Affairs Cte on FY 1951 MDAP, CD 6-2-46, RG 330, included an explanation by Lemnitzer of balanced collective forces. For Rep Frances P Bolton's exchange with Bradley on this subject, see House, Cte on Foreign Affairs, *To Amend the Mutual Defense Assistance Act of 1949*, 81st Cong, 2d sess, 6 Jun 50, p 44; for an exchange on the same subject between Sen Connally and Louis Johnson, see US Congress, Senate, *Mutual Defense Assistance Program, 1950*, hearings, 81st Cong, 2d sess, 5 Jun 50, p 27.
86. *Ibid*, 2 Jun 50, pp 13-15. Senators H. Alexander Smith and William F. Knowland questioned the slow progress on aid to China. Only passing reference was made to the small sums for Korea and the Philippines (\$16 million). See *ibid*, p 40, for Smith's questioning of Johnson on integrated command. Memo, Greene for Lemnitzer, 9 Jun 50, sub: First FMACC Hearing before House Foreign Affairs Cte on FY 1951 MDAP, CD 6-2-46, RG 330, cites Rep. James G. Fulton's questions on the rearming of West Germany. PL 621, 81st Cong, 2d sess, sec 405(d), *US Statutes at Large*, 1950, 64 (pt 1), 377.
87. *Ibid*.

Chapter VII, pages 101-126

1. Memo, Bohlen, 13 Jul 50, sub: Evaluation of General Situation, 661.00/7-1350, *FRUS*, 1950, 1, 343.
2. Msg, Truman to Congress, 19 Jul 50, US Natl Archives, *Public Papers of the Presidents: Harry S. Truman, 1950* (Washington: GPO, 1965), p 532.
3. Truman, *Memoirs*, 2, 333.
4. Merle Miller, *Plain Speaking: An Oral Biography of Harry S. Truman* (New York: Berkley Publishing Corp, 1974), pp 293-94.
5. Quoted by Lloyd C Gardner, "Truman Era Foreign Policy: Recent Historical Trends," in Richard S Kirkendall, ed, *The Truman Period as a Research Field: A Reappraisal*, 1972 (Columbia: Univ of Missouri Press, 1974), p 63.
6. Bohlen, *Witness to History*, p 303.
7. *New York Times*, 5 Jul 50.
8. Dorothy Fosdick, *Common Sense and World Affairs* (New York: Harcourt, Brace, 1955), p 48. [Author's italics.]
9. W Averell Harriman, *America and Russia in a Changing World: A Half Century of Personal Observation* (Garden City: Doubleday & Co, 1971), p 55.
10. Bohlen, *Witness to History*, p 294; Kennan, *Memoirs, 1925-1950*, pp 416-17.
11. Memo, Kennan for Sec/State, 8 Aug 50, 661.00/8-850, *FRUS*, 1950, 1, 361, 366-67.
12. Acheson, *Present at the Creation*, p 425.
13. Gaddis Smith, "Dean Acheson," in Robert H Ferrell, ed, *The American Secretaries of State and Their Diplomacy* (New York: Cooper Square Publishers, 1972), p 61; Ronald J Stupak, *The Shaping of Foreign Policy: The Role of the Secretary of State as Seen by Dean Acheson* (New York: Odyssey Press, 1968), p 36.
14. Ronald Steel, *Imperialists and Other Heroes: A Chronicle of the American Empire* (New York: Random House, 1971), p 17; Joyce and Gabriel

- Kolko, *The Limits of Power: The World and United States Foreign Policy, 1945-1954* (New York: Harper & Row, 1972), pp 508-509.
15. Richard J. Barnett, *Roots of War* (New York: Atheneum, 1972), p 273.
 16. Rpt, NSC 68/2, 30 Sep 50, sub: Note by Exec Sec to NSC on US Objectives and Programs for National Security, *FRUS*, 1950, 1, 400.
 17. Rpt, NSC 68/3, 8 Dec 50, sub: Note by Exec Sec to NSC on US Objectives and Programs for National Security, with apps, p 427; rpt, NSC 68/4, NSC to Truman, 14 Dec 50, sub: Rpt by NSC on US Objectives and Programs for National Security, *ibid*, pp 468-74.
 18. David S. McLellan and John W. Reuss, "Foreign and Military Policies," *The Truman Period as a Research Field*, p 34. Much of this material has been drawn from my chapter, "The Korean War and U.S. Foreign Relations: The Case of NATO," in Francis H. Heller, ed, *The Korean War: A 25-Year Perspective* (Lawrence: The Regents Press of Kansas, 1977), pp 36-42.
 19. Stebbins, ed, *The United States in World Affairs, 1950*, p 252; US DoD, *Semiannual Report of the Secretary of Defense, January 1 to June 30, 1951* (Washington: GPO, 1951), p 30.
 20. Stebbins, ed, *The United States in World Affairs, 1950*, p 253. The Title III figure did not include Korea since the latter was the direct beneficiary of money spent for U.S. military forces.
 21. In the House hearings of 1 August and the Senate hearings of 30 August more attention was given to past mistakes in the Far East than to the disposition of the \$4 billion.
 22. US Congress, H Rpt 2987, 81st Cong, 2d sess, p 49.
 23. PL 843, 81st Cong, 2d sess, Supplemental Appropriations Act, 1951, *US Statutes at Large*, 1950, 64 (pt 1).
 24. Msg, Truman to Congress, 1 Aug 50, US Natl Archives, *Public Papers of the Presidents: Harry S. Truman, 1950*, pp 564-65.
 25. The original amendment offered by Senator Allen Ellender to the Mutual Defense Assistance Act of 1950 did not take into account the feelings of the Allies when it demanded that their rate of military expenditure be maintained at the highest level of the past 3 years or they would lose U.S. aid. *Cong Rcd*, 29 Jun 50, 96 (pt 7), 9426-27. The final form of the amendment was considerably milder.
 26. *New York Times*, 30 Jun 50.
 27. Memo, Sec/Army for Sec/Def, 19 May 50, sub: Extension of FY 1950 MDAP Funds, CD 6-2-46, RG 330.
 28. Particularly revealing are the exchanges between Acheson and Senators McCarran and Wherry. See US Congress, Senate, Cte on Appropriations, *Supplemental Appropriations for 1951*, hearings, 81st Cong, 2d sess, 30 Aug 50, pp 279ff.
 29. Even before the Korean conflict, Senator Knowland had led a group in Congress which was dissatisfied with the neglect of aid for the Far East, particularly Formosa. See US Congress, Senate, Ctes on Foreign Relations and Armed Services, *Mutual Defense Assistance Program, 1950*, hearings, 81st Cong, 2d sess, 2 Jun 50, pp 13-15.
 30. Stebbins, ed, *The United States in World Affairs, 1950*, pp 250-51. *Fortune* noted that Acheson needed "a stiff drink" after his exchange with Wherry. "The Defense of Europe," *Fortune* 42 (1950), 76.
 31. One author claims that Johnson's opposition to the appointment of Thomas K. Finletter as Secretary of the Air Force was the immediate cause of Johnson's break with Truman. Coral Bell, *Negotiation from Strength: A Study in the Politics of Power* (New York: Knopf, 1963), p 53.
 32. Memo, Sec/Def for Chm, JCS, 18 Aug 50, sub: Supplies and Equipment for MDAP, CD 091.3, RG 330.
 33. Memcon, Acheson, of conv with Truman et al, 21 Jul 50, 700.5 MAP/7-2150, *FRUS*, 1950, 3, 137.
 34. Circular telg, Sec/State to certain diplomatic offices, 22 Jul 50, 740.5/7-2250, *ibid*, p 138.
 35. Osgood, *NATO: The Entangling Alliance*, p 71; Hilsman, "NATO: The Developing Strategic Concept," *NATO and American Security*, pp 18-20.
 36. Telg Depto 18, Charles M. Spofford, US Dep Rep, NAC, to Sec/State, 28 Jul 50, 740.5/7-2850, *FRUS*, 1950, 3, 149; telg 523, Bruce to Sec/State, 28 Jul 50, 740.5/7-2859, *ibid*, pp 151-54.
 37. Telg Depto 22, Spofford to Sec/State, 29 Jul 50, 740.5/7-2950, *ibid*, pp 162-63.
 38. Telg 591, Bruce to Sec/State, 1 Aug 50, 740.5/8-150, *ibid*, p 169.
 39. Telg 742, Bruce to Sec/State, 9 Aug 50, 740.5/8-950, *ibid*, pp 196-97.
 40. Telg 591, Bruce to Sec/State, 1 Aug 50, 740.5/8-150, *ibid*, pp 171-72.
 41. Telg 523, Bruce to Sec/State, 28 Jul 50, 740.5/7-2850, *ibid*, p 158.
 42. *New York Times*, 3 Sep 50.
 43. Adenauer, *Memoirs*, p 274; quoted in Calvo-coressi, *Survey of International Affairs, 1949-1950*, pp 159-60.
 44. Adenauer, *Memoirs*, p 273.
 45. *Ibid*, pp 307-309; Robert McGeehan, *The German Rearmament Question: American Diplomacy and European Defense after World War II* (Urbana: Univ of Illinois Press, 1971), pp 57-74.
 46. Memcon, Acheson, of conv with Truman, 31 Jul 50, sub: Position of Germany in Defense of Western Europe, 740.5/7-3150, *FRUS*, 1950, 3, 167-68.
 47. Telg 720, Douglas to Sec/State, 2 Aug 50, 740.5/8-250, *ibid*, pp 178-79.
 48. Telg 741, Bruce to Sec/State, 9 Aug 50, 740.5/8-950, *ibid*, pp 194-95.
 49. Telg 962, John J. McCloy, US High Commissioner, Germany, to Sec/State, 3 Aug 50, 740.5/8-350, *ibid*, pp 181-82; telg 359, Alan G. Kirk, US Amb in USSR, to Sec/State, 9 Aug 50, 762A.5/8-950, *ibid*, pp 192-94.
 50. Telg Depto 32, Spofford to Sec/State, 2 Aug 50, 740.5/8-250, *ibid*, p 179.
 51. Telg 629, Sec/State to Emb in UK, 3 Aug 50, 740.5/8-250, *ibid*, p 180.
 52. Senate, Cte on Appropriations, *Supplemental Appropriations for 1951*, 81st Cong, 2d sess, 30 Aug 50, p 285.
 53. *Ibid*, p 286.
 54. *Ibid*, p 287.
 55. Telg 784, Douglas to Sec/State, 8 Aug 50, 740.5/8-850, *FRUS*, 1950, 3, 190-92, Spofford and Douglas saw an American commander, three or four U.S. divisions, and three or more British divisions as prerequisites of a European army.

56. Ltr, Sec/State and Sec/Def to Truman, 8 Sep 50, 740.5/9-850, *FRUS*, 1950, 3, 273-78.
57. US Natl Archives, *Public Papers of the Presidents: Harry S. Truman, 1950*, p 626.
58. Ltr, Sec/Def to Sec/State, 12 Sep 50, with encl JCS paper, sub: US Views on Measures for Defense of Western Europe, 740.5/9-1250, *FRUS*, 1950, 3, 293.
59. Telg 1280, Douglas to Sec/State, 30 Aug 50, 740.5/8-3050, *ibid*, pp 252-53.
60. Telg Depto 62, Spofford to Sec/State, 24 Aug 50, 740.5/8-2450, *ibid*, p 239.
61. Adenauer, *Memoirs*, pp 278ff.
62. Harold Callender in *New York Times*, 1 Aug 50.
63. *New York Times Magazine*, 13 Aug 50.
64. Memo, Carlisle H Humelsine, DepUSec/State for Administration, for Sec/State, 17 Aug 50, 740.5 MAP/8-1750, *FRUS*, 1950, 3, 226.
65. Memo, Barbara Evans, Personal Asst for Sec/State, 4 Aug 50, 740.5/8-350, *ibid*, p 183.
66. Stebbins, ed, *The United States in World Affairs*, 1950, p 250. For Matthews' speech, see *Vital Speeches of the Day* 16 (1950), 730-32.
67. See Bell, *Negotiation from Strength*, p 53.
68. Ltr, Sec/State and Sec/Def to Truman, 8 Sep 50, 740.5/9-850, *FRUS*, 1950, 3, 273-78; ltr, Sec/Def to Sec/State, 12 Sep 50, with encl JCS paper, 740.5/9-1250, *ibid*, pp 291-92.
69. Memcon, Lucius D Battle, Spec Asst to Sec/State, 12 Sep 50, 740.5/9-1250, *ibid*, pp 285-88.
70. Acheson, *Present at the Creation*, pp 437-38.
71. Telg 1124, Sec/State to Emb in France, 2 Sep 50, 740.5/9-250, *FRUS*, 1950, 3, 261-62.
72. Acheson, *Present at the Creation*, p 438.
73. Dean Acheson, *Sketches from Life of Men I Have Known* (New York: Harper & Bros, 1961), p 29; Acheson, *Present at the Creation*, p 440.
74. McGeehan, *The German Rearmament Question*, pp 44-45.
75. Acheson observed that Prime Minister Clement R. Attlee wanted to talk to Truman as early as August, primarily about the implications for the British exchequer of NATO pressures for rearmament. See Acheson, *Present at the Creation*, p 438.
76. A metaphor attributed to a member of the French delegation. See Laurence Martin, "The American Decision To Rearm Germany," in Stein, ed, *American Civil-Military Decisions*, p 650.
77. Sum mins, NACO M-2, staff mtg, US del to NAC, 5th sess, 16 Sep 50, M-88, box 152 (2206). (This and other citations below to M-88 refer to lot M-88, a large composite file of papers relating to international conferences during and after World War II. The papers on most of the conferences which took place in and after 1950 are still [1980] deposited in the Foreign Affairs Documents and Reference Center, Department of State. The two box numbers given show, respectively, the original and the revised container numbers in the Department of State; it is likely that the material will be reboxed when transferred to the National Archives.) See also Jules Moch, *Histoire du rearmement allemand depuis 1950* (Paris: R Laffont, 1965), pp 46-47.
78. Mins, USDEL Mins 1, of 1st spec mtg of Foreign and Defense Ministers of France, UK, and US, 22 Sep 50, M-88, box 152 (2206).
79. Schuman's statement before the NAC on 16 Sep 50 is recorded in Verbatim Rcd 3, C-5-VR/3, 16 Sep 50, *ibid*.
80. Mins, USDEL Mins 1, of 1st spec mtg of Foreign and Defense Ministers of France, UK, and US, 22 Sep 50, *ibid*; Dept/State p rel 1055, 13 Oct 50, US Dept/State *Bulletin* 23 (1950), 695.
81. Sum rcd, C5-R/2, 2d mtg, 5th sess, NAC, 15 Sep 50, M-88, box 152 (2206); sum rcd, C5-R/3, 3d mtg, 5th sess, NAC, 16 Sep 50, *ibid*.
82. Stikker, *Men of Responsibility*, pp 298-99.
83. Final communique, 5th sess, NAC, 26 Sep 50, in Ismay, NATO, p 186.
84. Brown and Opie, *American Foreign Assistance*, p 495.
85. US DoD, *United States-Vietnam Relations, 1945-1967* [the "Pentagon Papers"], (12 books, Washington: GPO, 1971), bk 1, pt 4, A-5.
86. Memo, Burns for Sec/Def, 27 Mar 50, sub: US Military Aid for Indochina, CD 6-2-46, RG 330; memo, Burns for Sec/Def, 6 Mar 50, sub: Military Assistance for Southeast Asia, *ibid*.
87. Memo, Burns for Sec/Def, 27 Mar 50, *ibid*; memo, Greene for Lemnitzer, 26 May 50, sub: Preliminary Informal Discussion with Far Eastern Subcte of Senate Foreign Relations Cte, 25 May 50, *ibid*.
88. Int with Lemnitzer, 21 Mar 74, pp 58-62.
89. DoD, *United States-Vietnam Relations, 1945-1967*, bk 1, pt 2, A-47. See also a statement on the "domino principle" in NSC 124/2, printed *ibid*.
90. Rpt, JCS ad hoc cte, 11 Dec 50, on program for military assistance for the general area of China, CD 091.3, RG 330.
91. Senate, Cte on Appropriations, *Supplemental Appropriations for 1951*, 81st Cong, 2d sess, 30 Aug 50, p 293 (Acheson testimony).
92. Royal Institute of International Affairs, *Atlantic Alliance*, p 25.
93. House, Cte on Foreign Affairs, *To Amend the Mutual Defense Assistance Act of 1949*, 81st Cong, 2d sess, 5 Jun 50, pp 6-7 (Acheson testimony).
94. Stebbins, ed, *The United States in World Affairs*, 1950, p 285.
95. See memcon, 28 Oct 49, between Dept/State officials and Greek Foreign Minister Tsaldaris, sub: Greek Desire for Foreign Security Assurances through Membership in NAT or Other Regional Defense Group, CD 6-4-18, RG 330. See also telg, Minor, US Chargé in Greece, to Sec/State, 29 Jul 50, *FRUS*, 1950, 3, 161-62; telg, Sec/State to certain diplomatic offices, 25 Aug 50, *ibid*, pp 248-49; Royal Institute of International Affairs, *Atlantic Alliance*, pp 13-14.
96. Ltr, Sec/State to Sec/Def, 31 Aug 50, 740.5/8-3150, *FRUS*, 1950, 3, 257-58.
97. Memo, Sec/Army et al for Sec/Def, 5 Sep 50, sub: Admission of Turkey to NAT, CD 092.3, RG 330.
98. Memo, Davis for Sec/Def, 9 Sep 50, sub: Admission of Turkey to NAT, *ibid*.
99. Mins, USDEL NAC MIN-7, 7th mtg, 5th sess, NAC, 26 Sep 50, M-88, box 152 (2206); mins, USDEL NAC MIN-4, 4th mtg, 5th sess, NAC, 16 Sep 50, *ibid*. See also ltr, Sec/Def to Sec/State, 11 Sep 50, *FRUS*, 1950, 3, 278-79, on informal approval of a Big Three offer of associate status to Greece and Turkey.
100. Mins, USDEL NAC MIN-4, 4th mtg, 5th sess, NAC, 16 Sep 50, M-88, box 152 (2206).
101. Royal Institute of International Affairs, *Atlantic Alliance*, pp 13-14, 27.
102. See, for example, memo, JCS for Sec/Def, 5 Jan

- 50, sub: North Atlantic Pact, 840.20/1-649, *FRUS*, 1949, 4, 10-13.
103. Stebbins, ed, *The United States in World Affairs*, 1950, pp 288-89.
104. *Ibid*, p 95.
105. Mins, USDEL NAC MIN-4, 4th mtg, 5th sess, NAC, 15 Sep 50, M-88, box 152 (2206).
106. See PL 897, 81st Cong, 2d sess, Yugoslav Emergency Relief Assistance Act of 1950, *US Statutes at Large*, 1950, 64 (pt 1), 1122-24. Stebbins, ed, *The United States in World Affairs*, 1950, pp 292-93.
107. Telg Repsec 34, Katz to Sec/State, 6 Sep 50, 740.5/9-850, *FRUS*, 1950, 3, 269.
108. Telg Depto 36, Spofford to Sec/State, 4 Aug 50, 740.5/8-450, *ibid*, p 185; telg Todep 30, Sec/State to Spofford, 4 Aug 50, 740.5/8-450, *ibid*, p 188.
109. Circular telg, Sec/State to certain diplomatic offices, 22 Jul 50, 740.5/7-2250, *ibid*, p 138.
110. Stebbins, ed, *The United States in World Affairs*, 1950, pp 262-63; telg Todep 36, Sec/State to Spofford, 21 Aug 50, 740.5/8-2150, *FRUS*, 1950, 3, 229-30.
111. Stebbins, ed, *The United States in World Affairs*, 1950, p 264.
112. Knowland pointed this out specifically on 2 June 1950. Senate, Ctes on Foreign Relations and Armed Services, *Mutual Defense Assistance Program*, 1950, pp 9-10.
113. Telg Depto 75, Spofford to Sec/State, 24 Aug 50, 740.5/8-2450, *FRUS*, 1950, 3, 243.
114. Memo, Lemnitzer for Burns, 17 Jul 50, sub: Cost of Rearming NATO Countries and Other Countries Friendly to US, CD 092.3, RG 330.
115. Osgood, "NATO: Problems of Security and Collaboration," *American Political Science Review*, 54 (1960), 114.
116. Telg Depto 36, Spofford to Sec/State, 4 Aug 50, 740.5 MAP/7-2150, *FRUS*, 1950, 3, 136-37.
117. Memcon, Acheson, of conv with Truman et al, 21 Jul 50, 700.5 MAP/7-2150, *ibid*, pp 136-37.
118. Circular telg, Sec/State to certain diplomatic offices, 22 Jul 50, 740.5/7-2250, *ibid*, pp 139-40.
119. Memo, W Stuart Symington, Chm, NSRB, for Lay, 5 Sep 50, *FRUS*, 1950, 1, 397.
120. Telg 741, Bruce to Sec/State, 9 Aug 50, 740.5/8-950, *FRUS*, 1950, 3, 195; memo, Murdaugh for Burns et al, 30 Aug 50, CD 092.3, RG 330. See also Osgood, *NATO: The Entangling Alliance*, pp 70-71.
121. Telg Depto 30, Spofford to Sec/State, 2 Aug 50, 740.5/8-250, *FRUS*, 1950, 3, 176-77; US Congress, H Doc 119, 82d Cong, 1st sess, pp 13-14.
122. *Ibid*, pp 15-16. See also a DFEC submission of provisional mechanism for financing a program of high-priority defense production in Europe, NATO FEC Staff (50) D-17/2a, 8 Aug 50, cited in editorial note, *FRUS*, 1950, 3, 205.
123. H Doc 119, 82d Cong, 1st sess, pp 14-15.
124. *Ibid*, p 16; memo, Burns for Sec/Def, 7 Jun 50, CD 6-4-18, RG 330.
125. Telg 6149, Spofford to DepSec/Def, 30 Nov 50, CD 092.3, RG 330.
126. Memo, Roger Ernst, ADir, Off of North Atlantic Treaty Affairs, Dept/State, for Roswell H Whitman, ODM, 18 Oct 50, *ibid*; memo, Kreps for Jt Secs and Chm, MB, 23 Oct 50, sub: Position Paper on Wartime Economic Mobilization Plan-

ning and Shortages of Supply and Rising Prices of Primary Commodities, *ibid*.

127. H Doc 119, 82d Cong, 1st sess, pp 40-41.
128. *Ibid*, pp 33-34.

Chapter VIII, pages 127-148

1. Acheson, *Present at the Creation*, p 444.
2. Memcon, Webb, of conv with Truman, 26 Sep 50, 740.5/9-2650, *FRUS*, 1950, 3, 353.
3. Memo, Sec/Def for JCS, 2 Oct 50, sub: Integrated Force in Europe, 740.5/10-250, *ibid*, p 357.
4. Telg 1711, Acting Sec/State to Emb in France, 3 Oct 50, 740.5/10-350, *ibid*, pp 357-58.
5. Memcon, Nitze, 5 Oct 50, 740.5/10-550, *ibid*, pp 358-59; memcon, Nitze, 9 Oct 50, 740.5/10-950, *ibid*, pp 364-65.
6. Memo, JCS for Sec/Def, 13 Oct 50, sub: Integrated Force in Europe (Establishment of European Defense Force), 740.5/10-1450, *ibid*, pp 372-75; memo, JCS for Sec/Def, 13 Oct 50, sub: German Contribution to an Integrated Force, 740.5/10-1450, *ibid*, pp 375-77.
7. Ltr, Sec/State to Sec/Def, 16 Oct 50, 740.5/10-1650, *ibid*, pp 381-82.
8. Telg 2009, Bohlen to Sec/State, 15 Oct 50, 762A.5/10-1550, *ibid*, pp 378-79.
9. Telg 1970, Sec/State to Emb in France, 17 Oct 50, 762A.5/10-1750, *ibid*, pp 384-85.
10. Stebbins, ed, *The United States in World Affairs*, 1950, p 274.
11. Harold Callender in *New York Times*, 12 Jan 53; Clarence C. Walten, "Background for the European Defense Community," *Political Science Quarterly* 67 (1953), 54-55.
12. Acheson, *Present at the Creation*, pp 455-59.
13. Telg 2248, Sec/State to Emb in France, 27 Oct 50, 740.5/10-2750, *FRUS*, 1950, 3, 410-12.
14. Telg 2313, Sec/State to Emb in France, 31 Oct 50, 740.5/10-3150, *ibid*, p 423; telg 2377, Sec/State to Emb in France, 3 Nov 50, 740.5/11-350, *ibid*, pp 427-28.
15. Telg 2309, Sec/State to Emb in UK, 3 Nov 50, 740.5/11-350, *ibid*, p 431.
16. Tel 2475, Bruce to Sec/State, 4 Nov 50, 762A.5/11-450, *ibid*, p 433.
17. Telg Depto 173, Spofford to Sec/State, 13 Nov 50, 740.5/11-1350, *ibid*, pp 449-50.
18. Telg 2523, Sec/State to Emb in UK, 14 Nov 50, 740.5/11-1450, *ibid*, pp 452-53.
19. Telg Depto 182, Spofford to Sec/State, 16 Nov 50, 740.5/11-1650, *ibid*, pp 458-59.
20. Rpt by North Atlantic Military Cte, 12 Dec 50, sub: Military Aspects of German Participation in Defense of Western Europe, *ibid*, pp 542-44.
21. Telg Depto 202, Spofford to Sec/State, 21 Nov 50, 740.5/11-2150, *ibid*, pp 478-79.
22. Memo, Burns for Sec/Def, 5 Dec 50, sub: Contribution of Germany to an Integrated Force, 740.5/12-550, *ibid*, pp 518-21.
23. Note, French Govt to US Govt, 15 Dec 50, 740.5/12-2850, *ibid*, pp 584-85; telg Todep 106, Sec/State to Spofford, 18 Nov 50, 740.5/11-1650, *ibid*, p 472.
24. Telg 4371, Sec/State to McCloy, 16 Dec 50, 762A.5/12-1650, *ibid*, pp 581-82.
25. Adenauer, *Memoirs*, pp 307-309.
26. Final communique, 6th sess, NAC, 18-19 Dec 50, in Ismay, *NATO*, p 186.

27. Telg 987, Murphy to Sec/State, 18 Dec 50, 740.5/12-1850, *FRUS*, 1950, 3, 583-84; rcd of decisions, 6th sess, NAC, 10-19 Dec 50, M-88, box 154 (2208).
28. Telg Depto 337, Spofford to Sec/State, 14 Dec 50, 740.5/12-1450, *FRUS*, 1950, 3, 572-73.
29. Final communique, 6th sess, NAC, 18-19 Dec 50, in Ismay, NATO, p 186.
30. Memcon, Evans, 15 Dec 50, 740.5/12-1550, *FRUS*, 1950, 3, 578. "Acclamation" may be the most accurate description of the choice of Eisenhower for the position. As General Gruenther wrote on 12 September, "Last night Averell Harriman had a bridge game with the players, Pace, Hoffman & Gruenther. At dinner the question of the candidate for a U.S. Supreme Commander for NATO forces came up. The name of Eisenhower figured very prominently. One chap said the selection of Ike for this position is the only way to avoid World War III! Agreement was reached and DDE was selected by acclamation. So get your duffle bag packed." Ltr, Alfred E Gruenther to Eisenhower, 12 Sep 50, Pre-Presidential File, Box 48, Dwight D Eisenhower Library.
31. Speech, Bradley, Chicago, 14 Apr 50, in Stebbins, ed, *The United States in World Affairs, 1950*, p 129; memo, Sec/Def for Bradley, 3 May 50, sub: NATO and US Participation, CD 6-4-18, RG 330.
32. Ltr, Sec/State and Sec/Def to Truman, 8 Sep 50, 740.5/9-850, *FRUS*, 1950, 3, 274-75; final communique, 5th sess, NAC, 26 Sep 50, in Ismay, NATO, pp 185-86.
33. Rcd of decisions, 6th sess, NAC, 10-19 Dec 50, M-88, box 154 (2208); final communique, 6th sess, NAC, 18-19 Dec 50, in Ismay, NATO, p 186.
34. Ltr, Douglas to Sec/State, 12 Jul 50, 740.5/7-1250, *FRUS*, 1950, 3, 131.
35. Memo, Bradley for JCS, 23 Sep 50, sub: Military Advice for Forthcoming Mtgs of NAC, Defense Cte, and Military Cte, CD 092.3, RG 330.
36. Ismay, NATO, p 38.
37. Jane PC Carey, "Western European Union and the Atlantic Community," *Foreign Policy Reports* 26 (1950), 74.
38. Royal Institute of International Affairs, *Atlantic Alliance*, p 55; *New York Times*, 21 Dec 50; telg 1011, Murphy to Sec/State, 20 Dec 50, 740.5/12-2050, *FRUS*, 1950, 3, 606-607.
39. Royal Institute of International Affairs, *Defence in the Cold War: The Task for the Free World* (London: Royal Institute, 1950), pp 59-60.
40. Memo, Rear Adm WG Lalor, USN (Ret), Sec, JCS, for Sec/Def, 14 Oct 50, sub: Reorganization of Structure of NATO and Related Organizations—US Position, CD 092.3, RG 330.
41. Ibid.
42. Royal Institute of International Affairs, *Defence in the Cold War*, p 59. This British study recommended that the Standing Group consciously model itself on the Combined Chiefs of Staff during World War II.
43. Ltr, Hauge to Sec/Def, 20 Apr 50, sub: Allocation of Forces for Defense of North European Region, CD 6-4-18, RG 330.
44. Mins, USDEL NAC MIN-6, 6th mtg, 5th sess, NAC, 18 Sep 50, M-88, box 152 (2206).
45. Mins, USDEL NAC MIN-7, 7th mtg, 5th sess, NAC, 26 Sep 50, ibid.
46. Mins, USDEL MIN-1, 1st mtg, 6th sess, NAC, 18 Dec 50, 740.5/12-1850, *FRUS*, 1950, 3, 589.
47. Ibid; mins, USDEL MIN-2, 2d mtg, 6th sess, NAC, 19 Dec 50, 740.5/12-1950, *FRUS*, 1950, 3, 595ff; note, Attlee to Truman, 22 Dec 50, 840.00/12-2250, ibid, pp 607-608.
48. Memo, D-D/169, Lester B Pearson, Minister for Foreign Affairs, Canada, for NAC Deputies, 17 Nov 50, ibid, pp 461-64.
49. US position paper, BFM D-3/6, 15 Dec 50, sub: Canadian Reorganization Proposal, M-88, box 154 (2208).
50. US Def Min-1, 18 Dec 50, US Del Mins of 1st Mtg of 6th Session of NAC with Def Ministers, 740.5/12-1850, *FRUS*, 1950, 3, 588-89.
51. *New York Times*, 19 May 50.
52. Royal Institute of International Affairs, *Defence in the Cold War*, p 59.
53. Mins, USDEL MIN-2, 2d mtg, 6th sess, NAC, 19 Dec 50, 740.5/12-1950, *FRUS*, 1950, 3, 595-97.
54. Telg Depto 116, Douglas to Sec/State, 20 Oct 50, 740.5/10-2050, ibid, pp 399-401; Royal Institute of International Affairs, *Atlantic Alliance*, p 80.
55. Telg Todep 66, Sec/State to Spofford, 19 Oct 50, 740.5/10-1950, *FRUS*, 1950, 3, 391-93.
56. Telg Depto 30, Spofford to Sec/State, 2 Aug 50, 740.5/8-250, ibid, p 176.
57. Memo, Burns for Sec/Def, 21 Sep 50, CD 092.3, RG 330.
58. Telg Todep 67, Sec/State to Spofford, 19 Oct 50, 740.5/10-1950, *FRUS*, 1950, 3, 397-99.
59. Royal Institute of International Affairs, *Atlantic Alliance*, p 80; paper, 21 Oct 50, US Position on Reorganization of North Atlantic MPSP, CD 092.3, RG 330.
60. Mins, USDEL MIN-2, 2d mtg, 6th sess, NAC, 19 Dec 50, 740.5/12-1950, *FRUS*, 1950, 3, 595ff.
61. Ismay, NATO, p 128.
62. Ibid, p 187.
63. Brookings Institution, *Current Developments in United States Foreign Policy*, Jan 51, p 20.
64. Telg 517, Spofford to Sec/State, 19 Feb 51, 740.5/12-1951, *FRUS*, 1951, 3, 54-55.
65. Memo of understanding, State-Defense-ECA, 15 Feb 51, sub: Relationships and Organization of US Reps and Certain NAT Bodies in European Production and Economic Aid Programs, 740.5/2-1651, ibid, pp 51-52.
66. Ltr, Lovett to Charles E Wilson, Dir, ODM, 27 Feb 51, 740.5/2-2751, ibid, p 67-68.
67. Memo, Thomas D Cabot, Dir, ISA, DoD, for Sec/State, 10 Mar 51, 740.5/3-1051, ibid, p 94.
68. In a JCS priority list of 27 Oct 50 (memo, Bradley for Sec/Def, sub: Supplies and Equipment for MDAP, CD 091.3, RG 330) foreign aid programs occupied only the second priority. United Nations requirements in Korea and U.S. operational requirements were first.
69. Memo, Lemnitzer for Sec/Def, 4 May 50, CD 6-2-46, RG 330; telg 117, Sec/State to Emb in UK, 8 Jul 50, 740.5/7-550, *FRUS*, 1950, 3, 130.
70. Memo, Ernst for Walter G Whitman, ODM, 18 Oct 50, sub: Position Paper on Wartime Economic Mobilization Planning and Shortages of Supply and Rising Prices of Primary Commodities, CD 092.3, RG 330; memo, Roscoe Seybold, MB, for Sec/Def, 30 Oct 50, sub: Comments on Position Paper, ibid; ltr, Burns to James CH

- Bonbright, DepASec/State for European Affairs, 3 Nov 50, *ibid*.
71. Memo, Beebe for Burns, 8 Dec 50, *ibid*; ltr, Burns to ASec/Def, 9 Dec 50, *ibid*; memcon, Webb, of conv with Truman, 25 Sep 50, 740.5/9-2550, *FRUS*, 1950, 3, 344-45.
 72. See dispute at 1st ECC mtg, 25 Mar 49, FACC, sub: Problems in Developing MAP, N7-1(1)-F3, RG 330.
 73. Memo, Lemnitzer for Halaby, sub: Negotiations of Base Rights in relation to MAP Bilateral Agreement, 28 Sep 49, FACC D-5/2 (draft 7), N7-1(1)-G5, RG 330.
 74. Memo, Murdaugh for Sec/Def, 21 Nov 50, sub: Military Rights in Foreign Territories, CD 092.2, RG 330; Dept/State policy rcd guide, 22 Sep 50, sub: Military Bases, 611.00/9-2250, *FRUS*, 1950, 1, 398-99; Ismay, *NATO*, pp 114-15.
 75. Memo, Bray, 23 May 50, 700.00/5-1650, *FRUS*, 1950, 3, 125-26.
 76. Dept/State policy rcd guide, 22 Sep 50, sub: Military Bases, 611.00/9-2250, *FRUS*, 1950, 1, 398-99; memo, Col KR Kreps, Acting Exec Sec, OSD, for Sec/Army et al, 6 Oct 50, sub: Operating Requirements within NAT Area, CD 092.3, RG 330.
 77. *Ibid*; memos (in reply to Kreps' memo of 6 Oct), Sec/Army et al to Sec/Def, 11, 12, 13, and 16 Oct 50, CD 092.3, RG 330.
 78. Telg 1407, Bruce to Sec/State, 18 Sep 50, CD 092.3, RG 330; memo, Sec/Air Force for Sec/Def, 3 Nov 50, *ibid*.
 79. *Ibid*; memo, Lovett for Sec/Navy and Sec/Air Force, 30 Dec 50, sub: Implementation of Agreements on Navy and Air Force Installations in Morocco, *ibid*.
 80. Mins, USDEL MIN-1, 1st mtg, 6th sess, NAC, 18 Dec 50, 740.5/12-1850, *FRUS*, 1950, 3, 588-89.
 81. Memo, Allen for JCS, 25 Jul 50, sub: Terms of Reference for US Rep, NATO Council (Deputy), CD 092.3, RG 330.
 82. Memo, ET Dickinson, Asst to Jt Secs, for Sec/Def, 28 Jul 50, sub: Terms of Reference for US Rep, NATO Council (Deputy), *ibid*; memo, Lemnitzer for Burns, 12 Aug 50, sub: Proposed Terms of Reference, *ibid*.
 83. *Ibid*; memo, Humelsine for DepSec/Def, 4 Nov 50, sub: Terms of Reference for US Rep, NATO Council (Deputy), *ibid*.
 84. Memo, Burns for Leva, 10 Nov 50, sub: Terms of Reference for US Rep, NATO Council (Deputy), *ibid*.
 85. Memo, Burns for Sec/Def, 28 Nov 50, sub: Terms of Reference for US Rep, NATO Council (Deputy), *ibid*.
 86. Memo, Beebe for Burns, 17 Aug 50, sub: Terms of Reference for US Rep, NATO Council (Deputy), *ibid*.
 87. Memo, Bradley for Sec/Def, 8 Aug 50, sub: Proposed Terms of Reference, *ibid*.
 88. Memo, Sec/Def for JCS, 14 Aug 50, sub: Rpt by Deputies to Council of Deputies with Respect to Increased Combat Forces, *ibid*; memo, Bradley for Sec/Def, 17 Aug 50, sub: Comments and Recommendations as to Further Action Deputies Might Take with a View to Immediate Strengthening of Defense Forces, *ibid*; memo, Bradley for Sec/Def, 18 Aug 50, sub: Increase in Combat Forces for NATO, *ibid*.
 89. Memo, Humelsine for DepSec/Def, 4 Nov 50, sub: Terms of Reference for US Rep, NATO Council (Deputy), *ibid*; memo, Burns for Ralph J Burton, BoB, 14 Dec 50, sub: Terms of Reference for US Rep, NATO Council (Deputy), with addition of 16 Dec 50, *ibid*; paper, BVF D-5/1, 16 Dec 50, sub: Official Terms of Reference for US Rep, NATO Council (Deputy), *ibid*.
 90. Memo, Norman S Paul, Dep Asst Admin, ECA, for Richard M Bissell, Asst Admin, ECA, 24 Jul 50, sub: Terms of Reference for US NAT Deputy, ECA files, 53A441 W760, General Archives Div, Natl Archives, Suitland, Md.
 91. Memo, Paul for Harlan Cleveland, Dep Asst Admin, ECA, 26 Oct 50, *ibid*.
 92. Memo, Paul for Cleveland, 23 Aug 50, sub: Annexed Paper ECA Relationship of MDAP to ERP, *ibid*.
 93. *Ibid*; position paper, NACO D-6, 9 Sep 50, sub: Relationship between NATO and OEEC, *ibid*.
 94. Memo, Cabot for Sec/State, 20 Feb 51, sub: Outline of DoD Positions Concerning State Dept Proposals, 740.5/2-2051, *FRUS*, 1951, 3, 56-57.
 95. William Yandell Elliott et al, *United States Foreign Policy, Its Organization and Control: Report of a Study Group for the Woodrow Wilson Foundation* (New York: Columbia Univ Press, 1952), pp 169-71.
 96. DoD dir, 25 Nov 50, sub: Functions and Responsibilities within DoD for Military Assistance, in US Congress, H Doc 613, 81st Cong, 2d sess, p 65.
 97. Memo, Sec/Def for Sec/Army et al, 10 Jul 50, sub: Shipment of Equipment under MDAP, CD 091.3, RG 330; memo, Sec/Def for JCS, 15 Aug 50, sub: Military Basis for Supplemental Program for FY 1952, *ibid*.
 98. Memo, Sec/Def for Chm, JCS, 18 Aug 50, sub: Supplies and Equipment for MDAP, *ibid*; memo, Sec/Army for Sec/Def, 5 Sep 50, sub: Effect of Rising Prices on MDAP, *ibid*.
 99. Memo, Sec/Def for Sec/Army, 8 Sep 50, sub: Effect of Rising Prices on MDAP, *ibid*.
 100. Memo, Howard for Sec/Def, 6 Jun 50, sub: Organization of Foreign Aid after FY 1952, *ibid*.
 101. Memo, Sec/Army for Sec/Def, 16 Aug 50, sub: Shipments of Equipment under MDAP, *ibid*.
 102. Memo, Frederick Lawton, BoB, for Truman, 30 Sep 50, *ibid*.
 103. Memo, Lemnitzer for Burns, 9 Oct 50, sub: US Organizational Changes in NATO and MDAP Affairs, *ibid*.
 104. Memo, Lovett for Harriman, 11 Oct 50, including Harriman draft and DoD objections, *ibid*.
 105. Memo of understanding, State-Treasury-Defense-ECA, 19 Dec 50, sub: Organizational Arrangements within US Govt for Policy Formulation and Implementation with Respect to International Security Arrangements and Military and Economic Assistance for Mutual Defense, *FRUS*, 1950, 1, 485-86.
 106. Memo, Kreps for Jt Secs et al, 1 Nov 50, sub: Organizational Arrangements within US Govt, CD 091.3, RG 330; memo, Burns for William F Finan, Asst Dir for Administrative Management, BoB, 6 Dec 50, *ibid*; memo, Sec/Army for Sec/Def, 30 Nov 50, sub: Organizational Arrangements within US Govt, *ibid*.
 107. Memo, Burns for Lovett, 5 Dec 50, sub: US

- Organizational Arrangements for International Security Matters, *ibid*.
108. A preliminary report was submitted by the Brookings Institution in December 1950 and the complete report appeared in June 1951. See *New York Times*, 4 Jun 51; International Studies Group, *The Administration of Foreign Affairs and Overseas Operations, A Report Prepared for the Bureau of the Budget* (Washington: The Brookings Institution, 1951). See sections dealing with North Atlantic Treaty and MDAP.
 109. Memo, Bradley for Lovett, 29 Nov 50, sub: Organizational Arrangements within US Govt for Policy Formulation and Implementation with Respect to International Security Arrangements and Military and Economic Assistance, CD 091.3, RG 330; memo, Burns for Lovett, 5 Dec 50, sub: US Organizational Arrangements for International Security Matters, *ibid*.
 110. Memo, Burns for Finan, 6 Dec 50, *ibid*.
 111. Memo of understanding, State-Treasury-Defense-ECA, 19 Dec 50, app C, in US Congress, H Doc 179, Third Semiannual Report to Congress on The Mutual Defense Assistance Program, 82d Cong, 1st sess, pp 49-50.
 112. *Ibid*, par 7, p 50.
 113. See Brown and Opie, *American Foreign Assistance*, pp 502-503; H Doc 179, 82d Cong, 1st sess, 15 Jan 51, p 3; Annual Budget Message of the President to the Congress, FY 1952, *Public Papers of the Presidents: Harry S. Truman, 1951*, pp 72-73.
 114. Memo, Cleveland for William C Foster, Dep Admin, ECA, Aug 50, sub: Additional Military Production, ECA files, 53A405 W475, General Archives Div, Natl Archives, Suitland, Md.
 115. Rpt, NSC 68/3, Lay to NSC, 8 Dec 50, app A, *FRUS*, 1950, 1, 427. This appendix tabulates approximate costs of implementing NSC 68/3 over a 5-year period.
 9. Senate, Ctes on Foreign Relations and Armed Services, *Assignment of Ground Forces*, 82d Cong, 1st sess, 16 Feb 51, p 79.
 10. *Ibid*, p 93.
 11. *Ibid*, pp 112-13.
 12. *Ibid*, 24 Feb 51, pp 555-56.
 13. In an interview, 24 March 1972, Gen. Alfred M. Gruenther claimed: "The actual size of our force in Europe was not that important in our planning as long as it was large enough to show the Russians that we were serious in our commitment there through NATO." Quoted in Richard F Grimmett, "The Politics of Containment: The President, the Senate and American Foreign Policy, 1947-1956" (unpublished PhD dissertation, Kent State Univ, 1973), p 138.
 14. Taft stated: "The Senate resolution and the concurrent resolution adopted by the Senate on April 4, 1951, was a clear statement by the Senate that it has the right to pass on any question of sending troops to Europe to implement the Atlantic pact . . ." Robert A Taft, *A Foreign Policy for Americans* (Garden City: Doubleday & Co, 1951), p 36. See also S Res 99 in *Cong Rcd*, 4 Apr 51, 97 (pt 3), 3282-83, and S Con Res 18, *ibid*, p 3294.
 15. Smith, *Dean Acheson*, p 252.
 16. McGeehan, *The German Rearmament Question*, p 138.
 17. Rpt, NSC 100, Symington to NSC, 11 Jan 51, sub: Recommended Policies and Actions in Light of Grave World Situation, *FRUS*, 1951, 1, 18.
 18. Policy paper, NSC 114/1, annex 2, prepared by ISAC, 8 Aug 51, *ibid*, pp 140-42.
 19. US Dept/State, *Building a Mutual Defense: The Mutual Assistance Program, April 1, 1951-October 9, 1951* (Washington: GPO, 1952), p 25.
 20. Rpt, NSC 114/1, NSC to Truman, 8 Aug 51, sub: Status and Timing of Current US Programs for National Security, *FRUS*, 1951, 1, 154.
 21. Memo, PPS for Sec/State, 16 Oct 51, sub: Briefing Memo on NSC 114/2, *ibid*, p 228.
 22. Memo, Nitze for Sec/State, 17 Oct 51, sub: Points of Emphasis in NSC Consideration of NSC 114/2, *ibid*, pp 232-34.
 23. Policy paper, NSC 114/1, annex 2, prepared by ISAC, 8 Aug 51, *ibid*, p 142.
 24. *Ibid*, pp 140-42.
 25. *Ibid*; telg Ecato circular E-52, Foster to all European ECA missions, 28 May 51, *FRUS*, 1951, 3, 166-68.
 26. US Congress, S Doc 56, 82d Cong, 1st sess, p 22.
 27. *Ibid*, p 12.
 28. Memo, Cabot for Sec/State, 27 Mar 51, sub: Rpt on Trip to London and Paris by Webb and Cabot, 19-26 Mar 51, 110.12/3-3051, *FRUS*, 1951, 3, 104-105; memcon, 28 Nov 50, on mtg on organizational problems in MAP, ECA files, MSA, 53A441, General Archives Div, Natl Archives, Suitland, Md.
 29. Memo, Halaby for Bissell et al, 1 Nov 51, sub: Attached Draft Paper on ECA Role in Support of Military Production, *ibid*.
 30. Ltr, MacArthur to Bonbright, 20 Jun 51, 740.5/6-2051, *FRUS*, 1951, 3, 189.
 31. Memo, Morrissey, DoD, (for N Goodrich) for William Thorp, Chm, FASG, 8 Feb 51, sub: Mtg of Steering Group, 8 Feb 51, Sherlock Papers, RG 330; mins, UM M-303, Dept/State USec's mtg, 7 Feb 51, *FRUS*, 1951, 1, 276.

Chapter IX, pages 149-168

1. Speech, Herbert Hoover, 20 Dec 50, sub: We Should Revise Our Foreign Policies, in Herbert Hoover, *Addresses upon the American Road, 1950-1955* (Stanford: Stanford Univ Press, 1955), pp 11-22.
2. Speech, Joseph P Kennedy, 12 Dec 50, in Manfred Jonas, comp, *American Foreign Relations in the Twentieth Century: Documents* (New York: Crowell, 1967), pp 141-44.
3. Acheson, *Present at the Creation*, p 488.
4. *Cong Rcd* 97 (pt 1), 54-61. See Acheson, *Present at the Creation*, pp 491-92, for comment on Taft's speech. For another Taft statement on the same theme, see US Congress, Senate, Ctes on Foreign Relations and Armed Services, *Assignment of Ground Forces of the United States to Duty in the European Area*, hearings on S Con Res 8, 82d Cong, 1st sess, 26 Feb 51, pp 609-11.
5. S Con Res 8, 82d Cong, 1st sess, cited *ibid*, p 555.
6. *Ibid*, 1 Feb 51, pp 1-8 (Eisenhower statement) and 15 Feb 51, pp 39-40 (Marshall statement).
7. *Ibid*, 15 Feb 51, p 67.
8. *Ibid*, p 69. Henry A Kissinger, *Nuclear Weapons and Foreign Policy* (New York: WW Norton & Co, 1969), p 135, concluded that the "importance of forces ready to intervene rapidly was surely one of the lessons of the Korean War."

32. Memo, Maj Gen SL Scott, Dir, OMA, DoD for Sec/Def, 6 Apr 51, sub: Foreign Aid Legislation for FY 1952, CD 091.3, RG 330.
33. Ltr, Dave Kimball, Sec/Navy, to Sec/Def, 29 Mar 51, *ibid*.
34. Memo, George P Lincoln, Spec Asst to Sec/Def for MAP, for Lovett et al, 10 Apr 51, *ibid*.
35. Memo, Scott for Lovett, 14 Apr 51, sub: Letter from President, *ibid*.
36. Memo, Harlow J Heneman, Dir, Management Staff, Dept/State, for Humelsine, 8 May 51, sub: Sum of Administrative Aspects of Mutual Security Program, *FRUS*, 1951, 1, 313; paper, Lincoln, 15 May 51, sub: Essential Points of Mutual Security Program, 800.00 FA/5-1551, *ibid*, pp 316-17.
37. Memo, Goodrich for Lovett, 25 Apr 51, CD 091.3, RG 330.
38. Memo, Lincoln for Lovett, 16 May 51, sub: Congressional Consultation, *ibid*.
39. Paper, Dept/State, 21 Jul 51, sub: Administration of Mutual Security Program, 700.5 MAP/7-2151, *FRUS*, 1951, 1, 339.
40. US Congress, Senate, Ctes on Foreign Relations and Armed Services, *Mutual Security Act of 1951*, hearings on S 1762, 82d Cong, 1st sess, 1 Aug 51, p 221 (Senator Brewster's questions to Gruenther), and 2 Aug 51, p 265 (Kibler's testimony).
41. *Ibid*, 7 Aug 51, p 511.
42. *Ibid*, pp 506ff.
43. US Congress, S Rpt 703, 82d Cong, 1st sess, pp 35-36.
44. US Congress, H Rpt 872, 82d Cong, 1st sess, pp 39ff.
45. US Congress, H Rpt 1090 (conf rpt), 82d Cong, 1st sess, pp 22-24.
46. US Congress, S Doc 56, 82d Cong, 1st sess, p 22.
47. *Ibid*, pp 26-27.
48. PL 165, 82d Cong, 1st sess, Mutual Security Act of 1951, sec 526, *US Statutes at Large*, 1951, 65 (pt 1), 385.
49. *Ibid*, sec 101a(1), *US Statutes at Large*, 1951, 65 (pt 1), 373-74.
50. PL 621, 81st Cong, 2d sess, sec 12(c), *US Statutes at Large*, 1950, 64 (pt 1), 374; Brown and Opie, *American Foreign Assistance*, p 511.
51. See, for example, memo, Samuel Efron, DoD, for Sec/Def, 17 Sep 51, sub: Mutual Security Bill, CD 091.3, RG 330.
52. Memo, Harriman for Sec/State et al, 1 Nov 51, sub: Interim Procedures: Mutual Security Program for 1952, *ibid*.
53. Memo, Frank C Nash, Asst to Sec/Def for ISA, for Sec/Def, 10 Dec 51, sub: Interim Procedures for Administering the Mutual Security Act of 1951, *ibid*.
54. Felix Belair in *New York Times*, 15 Nov 51.
55. Ohly comments on this manuscript, 8 Oct 77, OSD Historian files.
56. Telg Depto 323, Spofford to Sec/State, 4 Sep 51, 740.5 MAP/9-451, *FRUS*, 1951, 3, 261-63; telg Repto 4425, Porter to Bissell, 6 Sep 51, 740.5 MAP/9-651, *ibid*, pp 265-67.
57. *Ibid*, p 266.
58. Telg Repto 4528, Paul Porter, Dep for Economic Affairs, Special Rep in Europe, to Bissell, 12 Sep 51, 740.5 MAP/9-1251, *ibid*, p 270.
59. Memcon, EM Martin, Dir, Off of European Regional Affairs, Dept/State, 21 Jun 51, sub: Meeting the MTDP Cap-ISAC D-4/7a, 740.5/6-2151, *ibid*, pp 197-98.
60. Telg Repto 3411, Katz to Foster, 16 Jul 51, *ibid*, p 220.
61. Rpt, C7-D 3, Spofford to NAC, 14 Sep 51, *ibid*, pp 272-79; Lincoln Gordon, "Economic Aspects of Coalition Diplomacy—The NATO Experience," *International Organization* 10 (1956), 538.
62. Circular telg, Sec/State to certain diplomatic offices, 27 Sep 51, 740.5/9-2751, *FRUS*, 1951, 3, 289-90. See also memo, Sec/State for Truman, 25 Sep 51, sub: Appointment of Harriman as Cte Rep, 740.5/9-2551, *ibid*, p 288, observing that the TCC will "make a synthesis of the pressing military, political, and economic problems now facing the NATO countries and report its findings by December 1, 1951."
63. Telg Depto 397, Spofford to Sec/State, 3 Oct 51, 740.5 MAP/10-351, *ibid*, pp 292-94. See also Gordon, "Economic Aspects of Coalition Diplomacy," p 538.
64. Memo, Lincoln Gordon, Asst Dir, MSA, for Harriman, 6 Oct 51, sub: Proposed Outline of Operations for NATO TCC, *FRUS*, 1951, 3, 302-304.
65. Telg Repsec 29, US TCC del to Sec/State, 11 Oct 51, 740.5/10-1151, *ibid*, p 309.
66. Ltr, Truman to Sec/State, 24 Sep 51, 840.00 FA/9-2451, *ibid*, pp 284-85.
67. Memo, Ohly for Sec/State, 13 Oct 51, sub: Attached Reply to President's Ltr of 24 Sep, 840.00 FA/9-2451, *ibid*, p 317.
68. Position paper, Martin, 8 Oct 51, sub: General Tactics in Negotiating Aid to NATO Countries for FY 1952, *ibid*, pp 304-306.
69. Telg Repto 5296, US TCC del to Sec/State, 22 Oct 51, 740.5/10-2251, *ibid*, pp 332-33.
70. Memo, Knight, 26 Oct 51, sub: Defense Reaction to Repto 5360, 740.5/10-2651, *ibid*, pp 333-34.
71. Circular telg, Acting Sec/State to certain diplomatic offices, 13 Nov 51, 740.5 MAP/11-1351, *ibid*, pp 349-50.
72. Ismay, NATO, p 47.
73. Francis A Beer, *Integration and Disintegration in NATO: Processes of Alliance Cohesion and Prospects for Atlantic Community* (Columbus: Ohio State Univ Press, 1969), p 113.
74. US Congress, H Doc 371, 82d Cong, 2d sess, p 4; Richard P Stebbins, ed, *The United States in World Affairs, 1951* (New York: Harper & Bros, 1952), pp 354-55.
75. US Congress, H Doc 371, 82d Cong, 2d sess; memo, Harriman for Truman, 2 Feb 52, CD 091.3, RG 330.
76. Memo, Foster for Truman, 4 Feb 52, *ibid*, reporting Bradley's approval over objections of his JCS colleagues. See memo, Gen Hoyt Vandenberg, COS, USAF, (for JCS) for Sec/Def, 16 Jan 52, sub: Refinement of FY 1952 MDAP, *ibid*.
77. Memo, Knight for George W Perkins, ASec/State for European Affairs, 29 Oct 51, sub: Conv with Harriman on 28 Oct, 740.5/10-2951, *FRUS*, 1951, 3, 339.
78. Stebbins, ed, *The United States in World Affairs, 1951*, p 364.
79. Ohly comments on this manuscript, 8 Oct 77, p 17, OSD Historian files.
80. Ltr, Bissell to Historian, OSD, 23 Mar 79; *The Mutual Security Program. . . For a Strong and Free World, First Report to the Congress, Mutual Security Program*, 31 Dec 51 (Washington: GPO, 1952), p 18.

81. Ismay, *NATO*, p 46; telg Repna circ 11, US TCC del to Sec/State, 7 Dec 51, 740.5/12–751, *FRUS*, 1951, 3, 372.
82. Briefing memo, Off of European Regional Affairs, Dept/State, 17 Dec 51, 740.5/12–1751, *ibid*, pp 329–30.; Stebbins, ed, *The United States in World Affairs*, 1951, pp 363–64.
83. Ismay, *NATO*, p 47.
84. When reporting to the Nation on the results of the Lisbon meeting, Acheson pretended puzzlement over the origins of the term: "One thing I can't explain to you is how these facilities came to be called by the name of 'infrastructure,' but despite this heavy handicap, good progress was made on this issue, too." *New York Times*, 1 Mar 52.
85. Ismay, *NATO*, pp 114–15.
86. Memo, Ernest W Pittman, ISA, DoD, and Knight for Cabot et al, 26 Jun 51, sub: Policy on US Participation in Financing of NATO Infrastructure, 740.5 MAP/6–2651, *FRUS*, 1951, 3, 207–208.
87. Ismay, *NATO*, p 115.
88. Progress rpt, C8–D/8, Harriman to NAC, 26 Nov 51, *FRUS*, 1951, 3, 360–62.
89. Ismay, *NATO*, p 47.
90. Acheson, *Present at the Creation*, p 626.
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- that the larger nations of an alliance devote larger percentages of their national incomes to defense than do smaller nations since "the larger a nation is, the higher its valuation of the output of an alliance."
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6. David Horowitz, *The Free World Colossus: A Critique of American Foreign Policy in the Cold War* (New York: Hill & Wang, 1965), p 262.
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8. US Dept/State, *Building a Mutual Defense*, p 12.
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10. John D Steinbruner, *The Cybernetic Theory of Decision: New Dimensions of Political Analysis* (Princeton: Princeton Univ Press, 1974), p 154.
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12. Truman, *Memoirs*, 2, 250.
13. Ohly comments on this manuscript, 8 Oct 77, OSD Historian files.
14. Int with Ohly by DM Condit and SL Rearden, 19 Apr 77, p 53, OSD Historian files.
15. Harlan Cleveland, *NATO: The Transatlantic Bargain* (New York: Harper & Row, 1970), p 189.
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Chapter X, pages 169–176

1. Int with Ohly by A Goldberg and H Yoshpe, 17 Jul 74, OSD Historian files.
2. Mancur Olson, Jr, and Richard Zeckhauser, "An Economic Theory of Alliances," *The Review of Economics and Statistics* 48 (1966), 274, observes

Appendices

Appendix A

THE BRUSSELS PACT

Treaty of Economic, Social and Cultural Collaboration and Collective Self-Defense between the Governments of the United Kingdom and Northern Ireland, Belgium, France, Luxembourg, and the Netherlands, signed at Brussels, March 17, 1948.

Article I

Convinced of the close community of their interests and of the necessity of uniting in order to promote the economic recovery of Europe, the High Contracting Parties will so organize and coordinate their economic activities as to produce the best possible results, by the elimination of conflict in their economic policies, the co-ordination of production and the development of commercial exchanges.

The co-operation provided for in the preceding paragraph, which will be effected through the Consultative Council referred to in Article VII as well as through other bodies, shall not involve any duplication of, or prejudice to, the work of other economic organizations in which the High Contracting Parties are or may be represented but shall on the contrary assist the work of those organizations.

Article II

The High Contracting Parties will make every effort in common, both by direct consultation and in specialized agencies, to promote the attainment of a higher standard of living by their peoples and to develop on corresponding lines the social and other related services of their countries.

The High Contracting Parties will consult with the object of achieving the earliest possible application of recommendations of immediate practical interest, relating to social matters, adopted with their approval in the specialized agencies.

They will endeavor to conclude as soon as possible conventions with each other in the sphere of social security.

Article III

The High Contracting Parties will make every effort in common to lead their peoples towards a better understanding of the principles which form the basis of their common civilization and to promote cultural exchanges by conventions between themselves or by other means.

Article IV

If any of the High Contracting Parties should be the object of an armed attack in Europe, the other High Contracting Parties will, in accordance with the provisions of Article 51 of the Charter of the United Nations, afford the party so attacked all the military and other aid and assistance in their power.

Article V

All measures taken as a result of the preceding Article shall be immediately reported to the Security Council. They shall be terminated as soon as the Security

Council has taken the measures necessary to maintain or restore international peace and security.

The present Treaty does not prejudice in any way the obligations of the High Contracting Parties under the provisions of the Charter of the United Nations. It shall not be interpreted as affecting in any way the authority and responsibility of the Security Council under the Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security.

Article VI

The High Contracting Parties declare, each so far as he is concerned, that none of the international engagements now in force between him and any other of the High Contracting Parties or any third State is in conflict with the provisions of the present Treaty.

None of the High Contracting Parties will conclude any alliance or participate in any coalition directed against any other of the High Contracting Parties.

Article VII

For the purpose of consulting together on all the questions dealt with in the present Treaty, the High Contracting Parties will create a Consultative Council, which shall be so organized as to be able to exercise its functions continuously. The Council shall meet at such times as it shall deem fit.

At the request of any of the High Contracting Parties, the Council shall be immediately convened in order to permit the High Contracting Parties to consult with regard to any situation which may constitute a threat to peace, in whatever area this threat should arise; with regard to the attitude to be adopted and the steps to be taken in case of a renewal by Germany of an aggressive policy; or with regard to any situation constituting a danger to economic stability.

Article VIII

In pursuance of their determination to settle disputes only by peaceful means, the High Contracting Parties will apply to disputes between themselves the following provisions:

The High Contracting Parties will, while the present Treaty remains in force, settle all disputes falling within the scope of Article 36, paragraph 2, of the Statute of the International Court of Justice by referring them to the Court, subject only, in the case of each of them, to any reservation already made by that Party when accepting this clause for compulsory jurisdiction to the extent that that Party may maintain the reservation.

In addition, the High Contracting Parties will submit to conciliation all disputes outside the scope of Article 36, paragraph 2, of the Statute of the International Court of Justice.

In the case of a mixed dispute involving both questions for which conciliation is appropriate and other questions for which judicial settlement is appropriate, any Party to the dispute shall have the right to insist that the judicial settlement of the legal questions shall precede conciliation.

The preceding provisions of this Article in no way affect the application of relevant provisions or agreements prescribing some other method of pacific settlement.

Article IX

The High Contracting Parties may, by agreement, invite any other State to accede to the present Treaty on conditions to be agreed between them and the State so invited.

Any State so invited may become a Party to the Treaty by depositing an instrument of accession with the Belgian Government.

The Belgian Government will inform each of the High Contracting Parties of the deposit of each instrument of accession.

Article X

The present Treaty shall be ratified and the instruments of ratification shall be deposited as soon as possible with the Belgian Government.

It shall enter into force on the date of the deposit of the last instrument of ratification and shall thereafter remain in force for fifty years.

After the expiry of the period of fifty years, each of the High Contracting Parties shall have the right to cease to be a party thereto provided that he shall have previously given one year's notice of denunciation to the Belgian Government.

The Belgian Government shall inform the Governments of the other High Contracting Parties of the deposit of each instrument of ratification and of each notice of denunciation.

In witness whereof, the above-mentioned Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done at Brussels, this seventeenth day of March 1948, in English and French, each text being equally authentic, in a single copy which shall remain deposited in the archives of the Belgian Government and of which certified copies shall be transmitted by that Government to each of the other signatories.

Appendix B

THE VANDENBERG RESOLUTION (S. 239)

Whereas peace with justice and the defense of human rights and fundamental freedoms require international cooperation through more effective use of the United Nations: Therefore be it

Resolved, That the Senate reaffirm the policy of the United States to achieve international peace and security through the United Nations, so that armed force shall not be used except in the common interest, and that the President be advised of the sense of the Senate that this Government, by constitutional process, should particularly pursue the following objectives within the United Nations Charter:

(1) Voluntary agreement to remove the veto from all questions involving pacific settlements of international disputes and situations, and from the admission of new members.

(2) Progressive development of regional and other collective arrangements for individual and collective self-defense in accordance with the purposes, principles, and provisions of the Charter.

(3) Association of the United States, by constitutional process, with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security.

(4) Contributing to the maintenance of peace by making clear its determination to exercise the right of individual or collective self-defense under article 51 should any armed attack occur affecting its national security.

(5) Maximum efforts to obtain agreements to provide the United Nations with armed forces as provided by the Charter, and to obtain agreement among member nations upon universal regulation and reduction of armaments under adequate and dependable guaranty against violation.

(6) If necessary, after adequate effort toward strengthening the United Nations, review of the Charter at an appropriate time by a general conference called under article 109 or by the General Assembly.

As printed in *The Congressional Record*, 80th Congress, 2d session, Volume 94, 11 June 1948, p. 7791.

Appendix C

NORTH ATLANTIC TREATY

The Parties to this Treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.

They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.

They seek to promote stability and well-being in the North Atlantic area.

They are resolved to unite their efforts for collective defense and for the preservation of peace and security.

They therefore agree to this North Atlantic Treaty:

Article 1

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Article 2

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and wellbeing. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Article 3

In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

Article 4

The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened.

Article 5

The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith,

individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Article 6

For the purpose of Article 5 an armed attack on one or more of the Parties is deemed to include an armed attack on the territory of any of the Parties in Europe or North America, on the Algerian departments of France, on the occupation forces of any Party in Europe, on the islands under the jurisdiction of any Party in the North Atlantic area north of the Tropic of Cancer or on the vessels or aircrafts in this area of any of the Parties.

Article 7

This Treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the Charter of the Parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security.

Article 8

Each Party declares that none of the international engagements now in force between it and any other of the Parties or any third state is in conflict with the provisions of this Treaty, and undertakes not to enter into any international engagement in conflict with this Treaty.

Article 9

The Parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this Treaty. The council shall be so organized as to be able to meet promptly at anytime. The council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee which shall recommend measures for the implementation of Articles 3 and 5.

Article 10

The Parties may, by unanimous agreement, invite any other European state in a position to further the principles of this Treaty to contribute to the security of the North Atlantic area to accede to this Treaty. Any state so invited may become a party to the Treaty by depositing its instrument of accession with the Government of the United States of America. The Government of the United States of America will inform each of the Parties of the deposit of each such instrument of accession.

Article 11

This Treaty shall be ratified and its provisions carried out by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The Treaty shall enter into force between the states which have ratified it as soon as the ratifications of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxembourg, the Netherlands, the United Kingdom and the United States, have been deposited and shall come into effect with respect to other states on the date of the deposit of their ratifications.

Article 12

After the Treaty has been in force for ten years, or at any time thereafter, the Parties shall, if any of them so requests, consult together for the purpose of reviewing the Treaty, having regard for the factors then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

Article 13

After the Treaty has been in force for twenty years, any Party may cease to be a party one year after its notice of denunciation has been given to the Government of the United States of America, which will inform the Governments of the other Parties of the deposit of each notice of denunciation.

Article 14

This Treaty, of which the English and French texts are equally authentic, shall be deposited in the archives of the government of the United States of America. Duly certified copies thereof will be transmitted by that Government to the Governments of the other signatories.

In witness whereof, the undersigned plenipotentiaries have signed this Treaty.
Done at Washington, the fourth day of April, 1949.

As printed in Hearings on the North Atlantic Treaty, Senate Committee on Foreign Relations, 81st Congress, 1st session, Part 1, pp. 1-3.

Appendix D

PUBLIC LAW 329 MUTUAL DEFENSE ASSISTANCE ACT OF 1949

AN ACT

To promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations.

October 6, 1949
[H. R. 5885]
[Public Law 329]

Mutual Defense As-
sistance Act of 1949.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Defense Assistance Act of 1949".

Findings and Declaration of Policy

The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except in the common interest. The Congress hereby finds that the efforts of the United States and other countries to promote peace and security in furtherance of the purposes of the Charter of the United Nations require additional measures of support based upon the principle of continuous and effective self-help and mutual aid. These measures include the furnishing of military assistance essential to enable the United States and other nations dedicated to the purposes and principles of the United Nations Charter to participate effectively in arrangements for individual and collective self-defense in support of those purposes and principles. In furnishing such military assistance, it remains the policy of the United States to continue to exert maximum efforts to obtain agreements to provide the United Nations with armed forces as contemplated in the Charter and agreements to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safeguards to protect complying nations against violation and evasion.

The Congress hereby expresses itself as favoring the creation by the free countries and the free peoples of the Far East of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties and to protect their security and independence.

The Congress recognizes that economic recovery is essential to international peace and security and must be given clear priority. The Congress also recognizes that the increased confidence of free peoples in their ability to resist direct or indirect aggression and to maintain internal security will advance such recovery and support political stability.

TITLE I

North Atlantic Treaty Countries

SEC. 101. In view of the coming into force of the North Atlantic Treaty and the establishment thereunder of the Council and the Defense Committee which will recommend measures for the common defense of the North Atlantic area, and in view of the fact that the task of the Council and the Defense Committee can be facilitated by immediate steps to increase the integrated defensive armed strength of the parties to the treaty, the President is hereby authorized to furnish military assistance in the form of equipment, materials, and services to such nations as are parties to the treaty and have heretofore requested such assistance. Any such assistance furnished under this title shall be subject to agreements, further referred to in section 402, designed to assure that the assistance will be used to promote an integrated defense of the North Atlantic area and to facilitate the development of defense plans by the Council and the Defense Committee under article 9 of the North Atlantic Treaty and to realize unified direction and effort; and after the agreement by the Government of the United States with defense plans as recommended by the Council and the Defense Committee, military assistance hereunder shall be furnished only in accordance therewith.

Furnishing of military assistance.

Agreements.

Post, p. 717

SEC. 102. There are hereby authorized to be appropriated to the President for the period through June 30, 1950, out of any moneys in the Treasury not otherwise appropriated, for carrying out the provisions and accomplishing the policies and purposes of this title, not to exceed \$500,000,000, of which not to exceed \$100,000,000 shall be immediately available upon appropriation, and not to exceed \$400,000,000 shall become available when the President of the United States approves recommendations for an integrated defense of the North Atlantic area which may be made by the Council and the Defense Committee to be established under the North Atlantic Treaty. The recommendations which the President may approve shall be limited, so far as expenditures by the United States are concerned, entirely to the amount herein authorized to be appropriated and the amount authorized hereinafter as contract authority.

Appropriation authorized.

Post, p. 975.

Restrictions.

SEC. 103. In addition to the amount authorized to be appropriated under section 102, the President shall have authority, within the limits of specific contract authority which may be hereafter granted to him in an appropriation Act, to enter into contracts for carrying out the provisions and accomplishing the policies and purposes of this title in amounts not exceeding in the aggregate \$500,000,000 during the period ending June 30, 1950, and there are hereby authorized to be appropriated for expenditure after June 30, 1950, such sums as may be necessary to pay obligations incurred under such contract authorization. No contract authority which may be granted pursuant to the provisions of this section shall be exercised by the President until such time as he has approved recommendations for an integrated defense of the North Atlantic area which may be made by the Council and the Defense Committee to be established under the North Atlantic Treaty.

Contract authority.

Appropriation authorized.

Post, p. 975.

SEC. 104. None of the funds made available for carrying out the provisions of this Act or the Act of May 22, 1947, as amended, shall be utilized (a) to construct or aid in the construction of any factory or other manufacturing establishment outside of the United States or to provide equipment or machinery (other than machine tools) for any

Restrictions on use of funds.
61 Stat. 103.
22 U. S. C., Supp. 11.
§§ 1401-1410.

such factory or other manufacturing establishment, (b) to defray the cost of maintaining any such factory or other manufacturing establishment, (c) directly or indirectly to compensate any nation or any governmental agency or person therein for any diminution in the export trade of such nation resulting from the carrying out of any program of increased military production or to make any payment, in the form of a bonus, subsidy, indemnity, guaranty, or otherwise, to any owner of any such factory or other manufacturing establishment as an inducement to such owner to undertake or increase production of arms, ammunition, implements of war, or other military supplies, or (d) for the compensation of any person for personal services rendered in or for any such factory or other manufacturing establishment, other than personal services of a technical nature rendered by officers and employees of the United States for the purpose of establishing or maintaining production of such factories or other manufacturing establishments to effectuate the purposes of this Act and in conformity with desired standards and specifications.

TITLE II

Greece and Turkey

SEC. 201. In addition to the amounts heretofore authorized to be appropriated, there are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, not to exceed \$211,370,000 to carry out the provisions of the Act of May 22, 1947, as amended, for the period through June 30, 1950.

Appropriation authorized.
Post, p. 975.
61 Stat. 103.
22 U. S. C., Supp. II,
§§ 1401-1410.

TITLE III

Other Assistance

SEC. 301. The President, whenever the furnishing of such assistance will further the purposes and policies of this Act, is authorized to furnish military assistance as provided in this Act to Iran, the Republic of Korea, and the Republic of the Philippines.

Iran, Korea, and
Philippines.

SEC. 302. There are hereby authorized to be appropriated to the President for the period through June 30, 1950, out of any moneys in the Treasury not otherwise appropriated, for carrying out the provisions and accomplishing the purposes of section 301, not to exceed \$27,640,000.

Appropriation authorized.
Post, p. 975.

SEC. 303. In consideration of the concern of the United States in the present situation in China, there is hereby authorized to be appropriated to the President, out of any moneys in the Treasury not otherwise appropriated, the sum of \$75,000,000 in addition to funds otherwise provided as an emergency fund for the President, which may be expended to accomplish in that general area the policies and purposes declared to this Act. Certification by the President of the amounts expended out of funds authorized hereunder, and that it is inadvisable to specify the nature of such expenditures, shall be deemed a sufficient voucher for the amounts expended.

China.
Appropriation authorized.
Post, p. 975.

TITLE IV

General Provisions

SEC. 401. Military assistance may be furnished under this Act, without payment to the United States except as provided in the agreements concluded pursuant to section 402, by the provision of any

Transfer of equipment, etc.
Post, p. 717.

service, or by the procurement from any source and the transfer to eligible nations of equipment, materials, and services: *Provided*, That no equipment or materials may be transferred out of military stocks if the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such transfer would be detrimental to the national security of the United States or is needed by the reserve components of the armed forces to meet their training requirements.

Restriction.

SEC. 402. The President shall, prior to the furnishing of assistance to any eligible nation, conclude agreements with such nation, or group of such nations, which agreements, in addition to such other provisions as the President deems necessary to effectuate the policies and purposes of this Act and to safeguard the interests of the United States, shall make appropriate provision for—

- (a) the use of any assistance furnished under this Act in furtherance of the policies and purposes of this Act;
- (b) restriction against transfer of title to or possession of any equipment and materials, information or services furnished under this Act without the consent of the President;
- (c) the security of any article, service, or information furnished under this Act;
- (d) furnishing equipment and materials, services, or other assistance, consistent with the Charter of the United Nations, to the United States or to and among other eligible nations to further the policies and purposes of this Act.

SEC. 403. (a) Any funds available for carrying out the policies and purposes of this Act, including any advances to the United States by any nation for the procurement of equipment and materials or services, may be allocated by the President for any of the purposes of this Act to any agency, and such funds shall be available for obligation and expenditure for the purpose of this act in accordance with authority granted hereunder or under the authority governing the activities of the agency to which such funds are allocated.

(b) Reimbursement shall be made by or to any agency from funds available for the purpose of this Act for any equipment and materials, services or other assistance furnished or authorized to be furnished under authority of this Act from, by, or through any agency. Such reimbursement shall include expenses arising from or incident to operations under this Act and shall be made by or to such agency in an amount equal to the value of such equipment and materials, services (other than salaries of members of the armed forces of the United States) or other assistance and such expenses. The amount of any such reimbursement shall be credited as reimbursable receipts to current applicable appropriations, funds, or accounts of such agency and shall be available for, and under the authority applicable to, the purposes for which such appropriations, funds, or accounts are authorized to be used, including the procurement of equipment and materials or services, required by such agency, in the same general category as those furnished by it or authorized to be procured by it and expenses arising from and incident to such procurement.

(c) The term "value", as used in subsection (b) of this section, means—

- (1) with respect to any excess equipment or materials furnished under this Act, the gross cost of repairing, rehabilitating, or modifying such equipment or materials prior to being so furnished;
- (2) with respect to any nonexcess equipment or materials furnished under this Act which are taken from the mobilization

reserve (other than equipment or materials referred to in paragraph (3) of this subsection), the actual or the projected (computed as accurately as practicable) cost of procuring for the mobilization reserve an equal quantity of such equipment or materials or an equivalent quantity of equipment and materials of the same general type but deemed to be more desirable for inclusion in the mobilization reserve than the equipment or materials furnished;

(3) with respect to any nonexcess equipment or materials furnished under this Act which are taken from the mobilization reserve but with respect to which the Secretary of Defense has certified that it is not necessary fully to replace such equipment or materials in the mobilization reserve, the gross cost to the United States of such equipment and materials or its replacement cost, whichever the Secretary of Defense may specify; and

(4) with respect to any equipment or materials furnished under this Act which are procured for the purpose of being so furnished, the gross cost to the United States of such equipment and materials.

In determining the gross cost incurred by any agency in repairing, rehabilitating, or modifying any excess equipment furnished under this Act, all parts, accessories, or other materials used in the course of such repair, rehabilitation, or modification shall be priced in accordance with the current standard pricing policies of such agency. For the purpose of this subsection, the gross cost of any equipment or materials taken from the mobilization reserve means either the actual gross cost to the United States of that particular equipment or materials or the estimated gross cost to the United States of that particular equipment or materials obtained by multiplying the number of units of such particular equipment or materials by the average gross cost of each unit of that equipment and materials owned by the furnishing agency.

Gross cost.

(d) Not to exceed \$450,000,000 worth of excess equipment and materials may be furnished under this Act or may hereafter be furnished under the Act of May 22, 1947, as amended. For the purposes of this subsection, the worth of any excess equipment or materials means either the actual gross cost to the United States of that particular equipment or materials or the estimated gross cost to the United States of that particular equipment or materials obtained by multiplying the number of units of such particular equipment or materials by the average gross cost of each unit of that equipment or materials owned by the furnishing agency.

Limitation on excess equipment.

61 Stat. 103,
22 U. S. C., Supp. II,
§§ 1401-1410.

SEC. 404. The President may exercise any power or authority conferred on him by this Act through such agency or officer of the United States as he shall direct, except such powers or authority conferred on him in section 405 and in clause (2) of subsection (b) of section 407.

Delegation of authority.

Post, p. 719.

SEC. 405. The President shall terminate all or part of any assistance authorized by this Act under any of the following circumstances:

Termination of assistance by President.

(a) If requested by any nation to which assistance is being rendered;

(b) If the President determines that the furnishing of assistance to any nation is no longer consistent with the national interest or security of the United States or the policies and purposes of this Act; or

(c) If the President determines that provision of assistance would contravene any decision of the Security Council of the United Nations, or if the President otherwise determines that provision of assistance to any nation would be inconsistent with the obligation of the United States under the Charter of the United Nations to refrain from giving assistance to any nation against which the United Nations is taking preventive or enforcement action or in respect of which the General Assembly finds the continuance of such assistance is undesirable.

(d) Assistance to any nation under this Act may, unless sooner terminated by the President, be terminated by concurrent resolution by the two Houses of the Congress: *Provided*, That funds made available under this Act shall remain available for twelve months from the date of such termination for the necessary expenses of liquidating contracts, obligations, and operations under this Act.

Termination by Congress.

Availability of funds for liquidation, etc.

SEC. 406. (a) Any agency may employ such additional civilian personnel without regard to section 14 (a) of the Federal Employees Pay Act of 1946 (60 Stat. 219), as amended, as the President deems necessary to carry out the policies and purposes of this Act.

Additional civilian personnel.

5 U. S. C. § 947 (g); Supp. II, § 947 note.

(b) Notwithstanding the provisions of Revised Statutes 1222 (U. S. C., title 10, sec. 576), personnel of the armed forces may be assigned or detailed to noncombatant duty, including duty with any agency or nation, for the purpose of enabling the President to furnish assistance under this Act.

Noncombatant duty of armed forces personnel.

(c) Technical experts and engineering consultants, not to exceed fifteen persons at any one time, as authorized by section 15 of the Act of August 2, 1946 (U. S. C., title 5, sec. 55a), required for the purposes of this Act, may, if the President deems it advantageous for the purposes of this Act and if in his opinion the existing facilities of the agency concerned are inadequate, be employed by any agency performing functions under this Act, and individuals so employed may be compensated at rates not in excess of \$50 per diem.

Experts and consultants.

60 Stat. 810.

(d) Service of any individual employed as a technical expert or engineering consultant under subsection (c) of this section shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, and 284 of United States Code, title 18, of section 190 of the Revised Statutes (U.S.C., title 5, sec. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service.

Nonapplicability of certain laws.

62 Stat. 697, 698.
18 U.S.C., Supp. II,
§§ 281, 283, 284.
Ante, pp. 90, 280.

(e) For the purpose of carrying out the provisions of this Act, there may be employed not to exceed three persons at a rate of compensation not to exceed \$15,000 and one person at a rate of compensation not to exceed \$16,000. Any person so employed shall be appointed by the President, by and with the advice and consent of the Senate.

Employment of personnel.

SEC. 407. (a) Nothing in this Act shall alter, amend, revoke, repeal, or otherwise affect the provisions of the Atomic Energy Act of 1946 (60 Stat. 755).

(b) The President may perform any of the functions authorized under section 401 of this Act without regard to (1) the provisions of title

42 U.S.C., §§ 1801-1819; Supp. II, § 1802 and notes.

10, United States Code, section 1262(a), and title 34, United States Code, section 546(e); and (2) such provisions as he may specify of the joint resolution of November 4, 1939 (54 Stat. 4), as amended.

SEC. 408. (a) Notwithstanding any other provision of law, the Reconstruction Finance Corporation is authorized and directed, until such time as appropriations shall be made under the authority of this Act and the Act of May 22, 1947, as amended, to make advances not to exceed in the aggregate \$125,000,000 to carry out the provisions of this Act and the Act of May 22, 1947, as amended, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder from funds made available for the purposes of this Act and the Act of May 22, 1947, as amended.

(b) Funds made available for carrying out the provisions of title I shall be available for the expenses of administering the provisions of this Act and of the Act of May 22, 1947, as amended. Whenever possible the expenses of administration of this Act shall be paid for in the currency of the nation where the expense is incurred, as provided in subsection (d).

(c) Whenever he determines that such action is essential for the effective carrying out of the purposes of this Act, the President may from time to time utilize not to exceed in the aggregate 5 per centum of the amounts made available for the purposes of any title of this Act for the purposes of any other title. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committees on Armed Services of the Senate and of the House of Representatives, and the Committee on Foreign Affairs of the House of Representatives.

(d) Upon approval by the President, any currency of any nation received by the United States for its own use in connection with the furnishing of assistance under this Act may be used for expenditures for essential administrative expenses of the United States in any such nation incident to operations under this Act and the amount, if any, remaining after the payment of such administrative expenses shall be used only for purposes specified by Act of Congress.

(e) The President may, from time to time, in the interest of achieving standardization of military equipment and in order to provide procurement assistance without cost to the United States, transfer, or enter into contracts for the procurement for transfer of, equipment, materials or services to nations designated in title I, II, or III of this Act, or to a nation which has joined with the United States in a collective defense and regional arrangement: *Provided*, That, prior to any such transfer or the execution of any such contracts, any such nation shall have made available to the United States the full cost, actual or estimated, of such equipment, materials, or services, and shall have agreed to make available forthwith upon request any additional sums that may become due under such contracts.

(f) Any equipment or materials procured to carry out the purposes of title I of this Act shall be retained by, or transferred to, and for the use of, such department or agency of the United States as the President may determine in lieu of being disposed of to a nation which is a party to the North Atlantic Treaty whenever in the judgment of the President of the United States such disposal to a foreign nation will not promote the self-help, mutual aid, and collective capacity to resist

Post, p. 762.
Ante, p. 716.
 54 Stat. 681.
 10 U.S.C. § 1262a:
 34 U.S.C. § 546e.
 22 U.S.C. §§ 441-457; Supp. II, §§ 446, 452 notes.
 Advances by RFC.
 61 Stat. 103.
 22 U.S.C., Supp. II, §§ 1401-1410.

Repayment to RFC.

Administrative expenses.
Post, p. 975.
 61 Stat. 103.
 22 U.S.C., Supp. II, §§ 1401-1410.

Post, p. 720.

Transfer of funds.

Notification to Congressional committees.

Use of local currency.

Transfer of equipment, etc.

Ante, pp. 715, 716.

Retention of equipment, etc., by U.S.
Ante, p. 715.

armed attack contemplated by the treaty or whenever such retention is called for by concurrent resolution by the two Houses of the Congress.

SEC. 409. That at least 50 per centum of the gross tonnage of any equipment, materials, or commodities made available under the provisions of this Act, and transported on ocean vessels (computed separately for dry bulk carriers and dry cargo liners) shall be transported on United States flag commercial vessels at market rates for United States flag commercial vessels in such manner as will insure a fair and reasonable participation of United States flag commercial vessels in cargoes by geographic areas.

Transportation on
U.S. flag vessels.

SEC. 410. The President, from time to time, but not less frequently than once every six months, while operations continue under this Act, shall transmit to the Congress reports of expenditures and activities authorized under this Act, except information the disclosure of which he deems incompatible with the security of the United States. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

Reports to Congress.

SEC. 411. For the purpose of this Act—

(a) The terms “equipment” and “materials” shall mean any arms, ammunition or implements of war, or any other type of material, article, raw material, facility, tool, machine, supply, or item that would further the purposes of this Act, or any component or part thereof, used or required for use in connection therewith, or required in or for the manufacture, production, processing, storage, transportation, repair, or rehabilitation of any equipment or materials, but shall not include merchant vessels.

“Equipment”; “ma-
terials.”

(b) The term “mobilization reserve”, as used with respect to any equipment or materials, means the quantity of such equipment or materials determined by the Secretary of Defense under regulations prescribed by the President to be required to support mobilization of the armed forces of the United States in the event of war or national emergency until such time as adequate additional quantities of such equipment or materials can be procured.

“Mobilization re-
serve.”

(c) The term “excess”, as used with respect to any equipment or materials, means the quantity of such equipment or materials owned by the United States which is in excess of the mobilization reserve of such equipment or materials.

“Excess.”

(d) The term “services” shall include any service, repair, training of personnel, or technical or other assistance or information necessary to effectuate the purposes of this Act.

“Services.”

(e) The term “agency” shall mean any department, agency, establishment, or wholly owned corporation of the Government of the United States.

“Agency.”

(f) The term “armed forces of the United States” shall include any component of the Army of the United States, of the United States Navy, of the United States Marine Corps, of the Air Force of the United States, of the United States Coast Guard, and the reserve components thereof.

“Armed forces of the
United States.”

(g) The term “nation” shall mean a foreign government eligible to receive assistance under this Act.

“Nation.”

SEC. 412. Whoever offers or gives to anyone who is now or in the past two years has been an employee or officer of the United States any commission, payment, or gift, in connection with the procurement of equipment, materials, or services under this Act, and whoever, being

Acceptance of gifts,
etc.

or having been an employee or officer of the United States in the past two years, solicits, accepts, or offers to accept any such commission, payment, or gift, shall upon conviction thereof be subject to a fine of not to exceed \$10,000 or imprisonment for not to exceed three years, or both.

Penalty.

SEC. 413. If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of the Act and applicability of such provision to other circumstances or persons shall not be affected thereby.

Separability.

Approved October 6, 1949.

As printed in *U.S. Statutes at Large*, 1949, Volume 63, Part 1 (Washington: GPO, 1950).

Appendix E

PUBLIC LAW 843 SUPPLEMENTAL APPROPRIATION ACT OF 1951

* * *

CHAPTER XI—FOREIGN AID

FUNDS APPROPRIATED TO THE PRESIDENT Mutual Defense Assistance

Ante, p. 759.

For expenses necessary to enable the President to carry out an additional program of military assistance to friendly nations in the manner authorized in the Mutual Defense Assistance Act of 1949, as amended, \$4,000,000,000, of which (a) \$3,504,000,000 shall be available for the purposes specified in Title I, including expenses, as authorized by section 408 (b), of administering the provisions of said Act and Act of May 22, 1947 (61 Stat. 103), as amended; (b) \$193,000,000 shall be available for the purposes specified in Title II; and (c) \$303,000,000 shall be available for the purposes specified in Title III, including section 303 (a): *Provided, however*, That the President at any time before the actual delivery of any defense articles to any other country may transfer the same to the United States Department of Defense for the use of such department.

63 Stat. 714.
22 U.S.C., Sup. III,
§ 1571 note.
Ante, p. 373 *et seq.*

63 Stat. 719.

63 Stat. 716.

Extracted from Act in *U.S. Statutes at Large*, 1950, Volume 64, Part 1 (Washington: GPO, 1952).

Appendix F

PUBLIC LAW 165 MUTUAL SECURITY ACT OF 1951

AN ACT

To maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

October 10, 1951
[H. R. 5113]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1951".

Mutual Security Act
of 1951.
Purpose of Act.

SEC. 2. The Congress declares it to be the purpose of this Act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U.S.C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1501-1522), and the Act for International Development (22 U.S.C. 1557) shall hereafter be deemed to include this purpose.

63 Stat. 714.

62 Stat. 137

64 Stat. 204.

Title I—Europe

SEC. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and accomplishing the policies and purpose of this Act—

Appropriations author-
ized.

(1) not to exceed \$5,028,000,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U.S.C. 1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this Act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States (any such determination to be

Assistance pursuant
to Mutual Defense As-
sistance Act of 1949.
63 Stat. 714.
63 Stat., Pt. 2, p. 2241.

reported forthwith to the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives), and not to exceed \$100,000,000 of such appropriation for any selected persons who are residing in or escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the Communist dominated or Communist occupied areas of Germany and Austria, and any other countries absorbed by the Soviet Union either to form such persons into elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes, when it is similarly determined by the President that such assistance will contribute to the defense of the North Atlantic area and to the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph. Section 408 (c) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1579), is hereby repealed.

Maximum amount for escapees, etc.

(2) not to exceed \$1,022,000,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production), for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph: *Provided*, That not to exceed \$10,000,000 of the funds made available pursuant to this paragraph may be utilized to effectuate the principles set forth in section 115 (e) of the Economic Cooperation Act of 1948, as amended.

Assistance pursuant to Economic Cooperation Act of 1948.
62 Stat. 137.

22 U. S. C. § 1502.

Utilization of manpower.

22 U. S. C. § 1513.

Transfer of funds.

(b) Not to exceed 10 per centum of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purpose of this Act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.

Notification of Congress by President.

Title II—Near East and Africa

SEC. 201. In order to further the purpose of this Act by continuing to provide military assistance to Greece, Turkey, and Iran, there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$396,250,000 for furnishing assistance to Greece and Turkey pursuant to the provisions of the Act of May 22,

Military assistance. Appropriations authorized.

1947, as amended (22 U. S. C. 1401-1410), and for furnishing assistance to Iran pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604). In addition, unexpended balances of appropriations heretofore made for assistance to Greece and Turkey, available for the fiscal year 1951, pursuant to the Act of May 22, 1947, as amended, and for assistance to Iran pursuant to the Mutual Defense Assistance Act of 1949, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

61 Stat. 103.

63 Stat. 714.

SEC. 202. Whenever the President determines that such action is essential for the purpose of this Act, he may provide assistance, pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, to any country of the Near East area (other than those covered by section 201) and may utilize not to exceed 10 per centum of the amount made available (excluding balances of prior appropriations continued available) pursuant to section 201 of this Act: *Provided*, That any such assistance may be furnished only upon determination by the President that (1) the strategic location of the recipient country makes it of direct importance to the defense of the Near East area, (2) such assistance is of critical importance to the defense of the free nations, and (3) the immediately increased ability of the recipient country to defend itself is important to the preservation of the peace and security of the area and to the security of the United States.

Near East area.

SEC. 203. In order to further the purpose of this Act in Africa and the Near East, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$160,000,000 for economic and technical assistance in Africa and the Near East in areas other than those covered by section 103 (a) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1502). Funds appropriated pursuant to this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557).

Economic and technical assistance.

Appropriation authorized.

62 Stat. 138.

64 Stat. 204.

SEC. 204. Not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be contributed to the United Nations during the fiscal year 1952, for the purposes, and under the provisions, of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556); *Provided*, That, whenever the President shall determine that it would more effectively contribute to the purposes of the said United Nations Palestine Refugee Aid Act of 1950, he may allocate any part of such funds to any agency of the United States Government to be utilized in furtherance of the purposes of said Act and any amount so allocated shall be a part of the United States contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East and shall be so credited by said Agency.

Contributions to U.N.

64 Stat. 203.

SEC. 205. In order to assist in the relief of refugees coming into Israel, not to exceed \$50,000,000 of the funds authorized under section 203 hereof may be utilized during the fiscal year 1952, under such terms and conditions as the President may prescribe, for specific refugee relief and resettlement projects in Israel.

Israel.
Relief and resettlement.

Title III—Asia and Pacific

SEC. 301. In order to carry out in the general area of China (including the Republic of the Philippines and the Republic of Korea)

Area of China.
Appropriations authorized.

the provisions of subsection (a) of section 303 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1604 (a)), there are hereby authorized to be appropriated to the President for the fiscal year 1952, not to exceed \$535,250,000. In addition, unexpended balances of appropriations heretofore made for carrying out the provisions of title III of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1602-1604), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed \$50,000,000 of funds appropriated pursuant to this section (excluding balances of appropriations continued available) may be accounted for as provided in subsection (a) of said section 303.

64 Stat. 375.

63 Stat. 716.

SEC. 302. (a) In order to further the purpose of this Act through the strengthening of the area covered in section 301 of this Act (but not including the Republic of Korea), there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$237,500,000 for economic and technical assistance in those portions of such area which the President deems to be not under Communist control. Funds appropriated pursuant to authority of this section shall be available under the applicable provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and of the Act for International Development (22 U. S. C. 1557). In addition, unexpended balances of funds heretofore made available for carrying out the purposes of the China Area Aid Act of 1950 (22 U. S. C. 1547), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section.

Portions of area
deemed not under
Communist control.

62 Stat. 137.

64 Stat. 204.

64 Stat. 202.

(b) The third provision of section 202 of the China Area Aid Act of 1950 is amended by inserting "and of Korea" after "selected citizens of China" the first time it appears therein.

SEC. 303. (a) In order to provide for a United States contribution to the United Nations Korean Reconstruction Agency, established by the resolution of the General Assembly of the United Nations of December 1, 1950, there are hereby authorized to be appropriated to the President not to exceed \$45,000,000. In addition, unobligated balances of the appropriations heretofore made, and available during the fiscal year 1951, for assistance to Korea under authority of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1543, 1551, 1552), are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this section. Not to exceed 50 per centum of the total of the appropriations authorized by this section may, when determined by the President to be necessary for the purpose of this Act, be transferred to and consolidated with the appropriation authorized by paragraph 302 (a).

United Nations Korean
Reconstruction Agency.
Appropriation au-
thorized.

64 Stat. 5.

(b) The sums made available pursuant to subsection (a) may be contributed from time to time on behalf of the United States in such amounts as the President determines to be appropriate to support those functions of the United Nations Korean Reconstruction Agency which the military situation in Korea permits the Agency to undertake pursuant to arrangements between the Agency and the United Nations Unified Command. The aggregate amount which may be contributed on behalf of the United States pursuant to the preceding sentence shall be reduced by the value of goods and services made available to Korea by any department or agency of the United States

for relief and economic assistance after the assumption of responsibility for relief and rehabilitation operations in Korea by the United Nations Korean Reconstruction Agency.

(c) The provisions of subsections 304 (a) and (b) of the United Nations Palestine Refugee Aid Act of 1950 (22 U. S. C. 1556 (b)) are hereby made applicable with respect to Korean assistance furnished under this section.

64 Stat. 203.

(d) Unencumbered balances of sums heretofore or hereafter deposited in the special account established pursuant to paragraph (2) of article V of the agreement of December 10, 1948, between the United States of America and the Republic of Korea (62 Stat., part 3, 3788) shall be used in Korea for such purposes as the President determines to be consistent with United Nations programs for assistance to Korea and as may be agreed to between the Government of the United States and the Republic of Korea.

(e) The functions of the Administrator for Economic Cooperation under the provisions of section 3 of the Far Eastern Economic Assistance Act of 1950, as amended (22 U. S. C. 1551), shall hereafter be performed by such departments or agencies of the Government as the President shall direct.

64 Stat. 5.

Title IV—American Republics

SEC. 401. In order to further the purpose of this Act through the furnishing of military assistance to the other American Republics, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$38,150,000 for carrying out the purposes of this section under the provisions of the Mutual Defense Assistance Act of 1949, as amended: *Provided*, That such assistance may be furnished only in accordance with defense plans which are found by the President to require the recipient country to participate in missions important to the defense of the Western Hemisphere. Any such assistance shall be subject to agreements, as provided herein and as required by section 402 of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1573), designed to assure that the assistance will be used to promote the defense of the Western Hemisphere: and after agreement by the Government of the United States and the country concerned with respect to such missions, military assistance hereunder shall be furnished only in accordance with such agreement.

Military assistance.
Appropriation au-
thorized.

63 Stat. 714.
22 U. S. C. § 1571
note.

SEC. 402. In order to further the purpose of this Act among the peoples of the American Republics through the furnishing of technical assistance, there are hereby authorized to be appropriated to the President, for the fiscal year 1952, not to exceed \$21,250,000 for assistance under the provisions of the Act for International Development (22 U. S. C. 1557) and of the Institute of Inter-American Affairs Act, as amended (22 U. S. C. 281).

Technical assist-
ance.
Appropriation au-
thorized.

64 Stat. 204.

61 Stat. 788.

Title V—Organization and General Provisions

Unified Direction of Program

SEC. 501. (a) In order that the programs of military, economic, and technical assistance authorized by this Act may be administered as parts of a unified program in accordance with the intent of Congress and to fix responsibility for the coordination and supervision of these programs in a single person, the President is authorized to appoint in the Executive Office of the President a

Director for Mutual
Security.

Director for Mutual Security. The Director, on behalf of the President and subject to his direction, shall have primary responsibility for—

(1) continuous supervision and general direction of the assistance programs under this Act to the end that such programs shall be (A) effectively integrated both at home and abroad, and (B) administered so as to assure that the defensive strength of the free nations of the world shall be built as quickly as possible on the basis of continuous and effective self-help and mutual aid:

(2) preparation and presentation to the Congress of such programs of foreign military, economic, and technical assistance as may be required in the interest of the security of the United States:

(3) preparation for the President of the report to the Congress required by section 518 of this Act.

Post, p. 383.

(b) Except as otherwise provided by this Act, the Director shall not hold any other office or employment under the United States and shall not have any other responsibilities except those directly related to the coordination, supervision, and direction, of the programs covered by this Act or otherwise conferred upon him by law.

(c) The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$22,500 per annum.

Appointment; salary.

(d) For the purpose of carrying out the provisions of this section, the President is authorized to utilize the positions created in subsection 406 (e) of the Mutual Defense Assistance Act of 1949, as amended. No person may serve in any such position under this subsection while at the same time he is an officer or employee of any other department or agency of the Government.

63 Stat. 719.
22 U. S. C. § 1577.

(e) (1) The fourth paragraph of section 101 (a) of the National Security Act of 1947, as amended (50 U. S. C. 402 (a)), is amended by inserting after clause (4) the following:

63 Stat. 579.

“(5) the Director for Mutual Security;”

and by renumbering clauses (5) and (6) thereof as clauses (6) and (7), respectively.

(2) Section 4 (a) of Public Law 171, Seventy-ninth Congress, as amended (59 Stat. 512), is amended by striking out “Economic Cooperation Administration” and inserting in lieu thereof “Mutual Security Agency” and by striking out “Administrator for Economic Cooperation” and inserting in lieu thereof “Director for Mutual Security”.

22 U. S. C. § 286b.

Mutual Security Agency

SEC. 502. (a) The Economic Cooperation Administration and the offices of Administrator for Economic Cooperation, Deputy Administrator, United States Special Representative in Europe, and Deputy Special Representative are hereby abolished.

Abolition of ECA.

(b) To assist in carrying out the purpose of this Act—

(1) there is hereby established, with its principal office at the seat of the government, a Mutual Security Agency, hereinafter referred to as the Agency, which shall be headed by the Director for Mutual Security; and

Establishment of Agency.

(2) there shall be transferred to the Director the powers, functions, and responsibilities conferred upon the Administrator for Economic Cooperation by the Economic Cooperation Act of 1948, as amended, and by any other law, but no such powers,

62 Stat. 137.
22 U. S. C. § 1501
note.

functions, and responsibilities shall be exercised after June 30, 1952, except as provided in subsection (c) of this section.

(c) Not later than April 1, 1952, the President shall inform the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives which of the powers, functions, and responsibilities transferred to the Director by subsection (b) (2) are found by the President to be necessary to enable the Director after June 30, 1952, to carry out the duties conferred upon him by section 503. The termination provisions of section 122 of the Economic Cooperation Act of 1948, as amended, shall come into effect on June 30, 1952, and none of the powers, functions, and responsibilities conferred by that Act shall be exercised after that date, except those powers, functions, and responsibilities found necessary to enable the Director to carry out the duties conferred on him by section 503 of this Act, which powers, functions, and responsibilities unless otherwise provided by law shall continue in effect until June 30, 1954.

22 U. S. C. § 1520.

Additional Duties of Director for Mutual Security

SEC. 503. After June 30, 1952, the Director, on behalf of the President and subject to his direction, shall, in consultation with the Secretaries of State and Defense, continue to have primary responsibility for—

(a) the development and administration of programs of assistance designed to sustain and increase military effort, including production, construction, equipment and materiel in each country or in groups of countries which receive United States military assistance;

(b) the provision of such equipment, materials, commodities, services, financial, or other assistance as he finds to be necessary for carrying out mutual defense programs; and

(c) the provision of limited economic assistance to foreign nations for which the United States has responsibility as a result of participation in joint control arrangements when the President finds that the provision of such economic assistance is in the interest of the security of the United States.

Appointment and Transfer of Personnel

SEC. 504. (a) To carry out the functions conferred by sections 502 and 503 of this Act, there shall be in the Agency a Deputy Director, a Special Representative in Europe, and a Deputy Special Representative in Europe, who shall be appointed by the President by and with the advice and consent of the Senate, and shall have status and receive compensation comparable to the equivalent positions under the Economic Cooperation Act of 1948, as amended.

Deputy Director, etc.

62 Stat. 137.
22 U. S. C. § 1501
note.

(b) Any personnel of the Economic Cooperation Administration, upon the certification of the Director for Mutual Security and with the approval of the Director of the Bureau of the Budget that such personnel are necessary to carry out the functions of the Director for Mutual Security, and all records and property of such Administration which the Director of the Bureau of the Budget determines are used primarily in the administration of the powers and functions transferred to the Director for Mutual Security by this Act, shall be transferred to the Mutual Security Agency.

(c) Of the personnel transferred to or employed by the Mutual Security Agency, not to exceed fifty may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed fifteen may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of \$15,000 per annum. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

63 Stat. 954.
5 U. S. C. § 1071
note.

(d) On and after January 1, 1952, the number of United States citizens employed by the Mutual Security Agency shall be at least 10 per centum less than the number employed by the Economic Cooperation Administration on August 31, 1951: *Provided*, That the Director for Mutual Security shall cause studies to be made from time to time for the purpose of determining whether further reductions in personnel are feasible and consistent with the accomplishment of the purposes of this Act.

Reductions in personnel.

The Secretary of State

SEC. 505. Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

The Secretary of Defense

SEC. 506. (a) In the case of aid under this Act for military end items and related technical assistance and advice, the Secretary of Defense shall have primary responsibility and authority for—

- (1) the determination of military end-item requirements;
- (2) the procurement of military equipment in a manner which permits its integration with service programs;
- (3) the supervision of end-item use by the recipient countries;
- (4) the supervision of the training of foreign military personnel; and
- (5) the movement and delivery of military end items.

(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense. The apportionment of funds between countries shall be determined by the President.

(c) Notwithstanding any other provision of law, during the fiscal year 1952 the Secretary of Defense may furnish (subject to reimbursement from funds appropriated pursuant to this Act) military assistance out of the materials of war whose production in the United States shall have been authorized for, and appropriated to, the Department of Defense: *Provided, however*, That nothing in this Act shall authorize the furnishing of military items under this subsection in excess of \$1,000,000,000 in value. For the purposes of this subsection (1) "value" shall be determined in accordance with section 402 (c) of the Mutual Defense Assistance Act of 1949, as amended, and (2) the term "materials of war" means those goods, commonly known as military items, which are required for the performance of their missions by armed forces of a nation, including weapons, military vehicles, ships of war under fifteen hundred tons, aircraft, military communications equipment, ammunition, maintenance parts and spares, and military hardware.

Furnishing of military items, etc.

63 Stat. 717.
22 U. S. C. 1573.

Overseas Coordination

SEC. 507. The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

Relationship to Technical Cooperation Administration and Institute of Inter-American Affairs

SEC. 508. Nothing in this Act shall be construed to modify the provisions of section 412 of the Act for International Development or the provisions of the Institute of Inter-American Affairs Act.

64 Stat. 207; 61 Stat. 780.
22 U. S. C. §§ 1557, 281 note.

Detail of Personnel to Foreign Governments and International Organizations

SEC. 509. Whenever the President determines it to be consistent with and in furtherance of the purpose of this Act, the head of any Government agency is authorized to—

(a) detail or assign any officer or employee of his agency to any office or position to which no compensation is attached with any foreign government or foreign government agency: *Provided*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government; and

(b) detail, assign, or otherwise make available to any international organization in which the United States participates, any officer or employee of his agency to serve with or as a member of the international staff of such organizations.

Any such officer or employee, while so assigned or detailed shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits as such, an officer or employee of the Government of the United States and of the Government agency from which assigned or detailed, and he shall continue to receive compensation, allowances, and benefits from funds made available to that agency out of funds authorized under this Act.

Security Clearance

SEC. 510. No citizen or resident of the United States may be employed, or if already employed, may be assigned to duties by the Director or the Secretary of State under this Act or the Act for International Development for a period to exceed three months unless (a) such individual has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Director or the Secretary of State, as the case may be, and until the Director or the Secretary of State has certified in writing (and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs) that, after full consideration of such report, he believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never been a member of any organization advocating contrary views; or (b) such individual has been investigated by a military intelligence agency and the Secretary of Defense has certified in writing that he believes such individual is loyal to the United States and filed copies thereof with the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the

Senate, nor shall it apply in the case of any person already employed under programs covered by this Act who has been previously investigated in connection with such employment.

Eligibility for Assistance

SEC. 511. (a) No military, economic, or technical assistance authorized pursuant to this Act (other than assistance provided under section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to—

63 Stat. 720.
22 U.S.C. § 1580.

- (1) join in promoting international understanding and good will, and maintaining world peace;
- (2) take such action as may be mutually agreed upon to eliminate causes of international tension;
- (3) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;
- (4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;
- (5) take all reasonable measures which may be needed to develop its defense capacities; and
- (6) take appropriate steps to insure the effective utilization of the economic and military assistance provided by the United States.

(b) No economic or technical assistance shall be supplied to any other nation unless the President finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and in maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

Future Authorizations

SEC. 512. In order to carry out the purpose of this Act, with respect to those countries eligible to receive assistance as provided herein, funds shall be available as authorized and appropriated to the President each fiscal year.

Transferability Between Titles

SEC. 513. Whenever the President determines it is to be necessary for the purpose of this Act, not to exceed 10 per centum of the funds made available under any title of this Act may be transferred to and consolidated with funds made available under any other title of this Act in order to furnish, to a different area, assistance of the kind for which such funds were available before transfer. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives. In the case of the transfer of funds available for military purposes, he shall also forthwith notify the Committees on Armed Services of the Senate and House of Representatives.

Strategic Materials

SEC. 514. In order to promote the increased production, in areas covered by this Act, of materials in which the United States is deficient, not to exceed \$55,000,000 of the funds authorized to be appropriated pursuant to section 101 (a) (2) of this Act may be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

62 Stat. 137.

Protection Against Attachment

SEC. 515. All countries participating in any United States aid program or in any international organization receiving United States aid shall be required to so deposit, segregate, or assure title to all funds allocated to or derived from any program so that the same shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when in the opinion of the Director any such action would interfere with the attainment of the objectives of this Act.

Encouragement of Free Enterprise

SEC. 516. It is hereby declared to be the policy of the Congress that this Act shall be administered in such a way as (1) to eliminate the barriers to, and provide the incentives for, a steadily increased participation of free private enterprise in developing the resources of foreign countries consistent with the policies of this Act, (2) to the extent that it is feasible and does not interfere with the achievement of the purposes set forth in this Act, to discourage the cartel and monopolistic business practices prevailing in certain countries receiving aid under this Act which result in restricting production and increasing prices, and to encourage where suitable competition and productivity, and (3) to encourage where suitable the development and strengthening of the free labor union movements as the collective bargaining agencies of labor within such countries.

Patents and Technical Information

SEC. 517. (a) As used in this section—

(1) the term "invention" means an invention or discovery covered by a patent issued by the United States, and

(2) the term "information" means information originated by or peculiarly within the knowledge of the owner thereof and those in privity with him, which is not available to the public and is subject to protection as property under recognized legal principles.

(b) Whenever, in connection with the furnishing of any assistance in furtherance of the purpose of this Act—

(1) use within the United States, without authorization by the owner, shall be made of an invention, or

(2) damage to the owner shall result from the disclosure of information by reason of acts of the United States or its officers or employees,

the exclusive remedy of the owner of such invention or information shall be by suit against the United States in the Court of Claims or in the District Court of the United States for the district in which such owner is a resident for reasonable and entire compensation for unauthorized use or disclosure. In any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by any defendant in a like action.

Definitions.

Suits.

(c) Before such suit against the United States has been instituted, the head of the appropriate department or agency of the Government, which has furnished any assistance in furtherance of the purpose of this Act, is authorized and empowered to enter into an agreement with the claimant, in full settlement and compromise of any claim against the United States hereunder.

(d) The provisions of the last sentence of section 1498 of Title 28 of the United States Code shall apply to inventions and information covered by this section.

62 Stat. 941.

(e) Except as otherwise provided by law, no recovery shall be had for any infringement of a patent committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt by the Government of a written claim under subsection (c) above for compensation for infringement of a patent and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as part of the six years, unless suit is brought before the last mentioned date.

Reports

SEC. 518. The President, from time to time while funds appropriated for the purpose of this Act continue to be available for obligation, shall transmit to the Congress, in lieu of any reports otherwise required by laws continued in effect by this Act, reports covering each six months of operations in furtherance of the purpose of this Act, except information the disclosure of which he deems incompatible with the security of the United States. The first such report shall cover the six-month period commencing on the date this Act becomes effective. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

Local Currency

SEC. 519. (a) Upon a determination by the Director that it will further the purpose of this Act, not to exceed \$10,000,000 of the funds made available pursuant to section 203 of this Act and not to exceed \$25,000,000 of funds made available pursuant to section 302 of this Act may be advanced to countries covered by said sections in return for equivalent amounts of the currency of such countries being made available to meet local currency needs of the aid programs in such countries pursuant to agreements made in advance with the United States: *Provided*, That except when otherwise prescribed by the Director as necessary to the effective accomplishment of the aid programs in such countries, all funds so advanced shall be held under procedures set out in such agreements until used to pay for goods and services approved by the United States or until repaid to the United States for reimbursement to the appropriation from which drawn.

Ante, p. 375.
Ante, p. 376.

(b) In order to assist in carrying out the provisions of the Economic Cooperation Act of 1948, as amended, not to exceed \$50,000,000 of funds made available under the authority of this Act for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), may be used to acquire local currency for the purpose of increasing the production of materials in which the United States is deficient.

62 Stat. 137.

Guaranties

SEC. 520. Funds realized from the sales of notes pursuant to section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, shall be available for making guaranties of investments in accordance with the applicable provisions of sections 111 (b) (3) and 111 (c) (2) of the Economic Cooperation Act, as amended, in any area in which assistance is authorized by this Act.

62 Stat. 143.
22 U. S. C. § 1509.

Administrative Expenses

SEC. 521. Funds made available for carrying out the provisions of title I of this Act shall be available for United States participation in the acquisition or construction of facilities in foreign countries for collective defense: *Provided*, That no part of such funds shall be expended for rental or purchase of land or for payment of taxes. Such funds shall also be available for the administrative expenses of carrying out the purposes of all of the titles of this Act, including expenses incident to United States participation in international security organizations and expenses in the United States in connection with programs authorized under the Act for International Development. Any currency of any nation received by the United States for its own use in connection with assistance furnished by the United States may be used by any agency of the Government without reimbursement from any appropriation for the administrative and operating expenses of carrying out the purpose of this Act. Funds made available for carrying out the purpose of this Act in the Federal Republic of Germany may, as authorized in subsection 114 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1512 (h)), be transferred by the President to any department or agency for the expenses necessary to meet the responsibilities and obligations of the United States in the Federal Republic of Germany.

64 Stat. 200.

Loans

SEC. 522. Section 111 (c) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), is hereby amended by adding a new paragraph as follows:

62 Stat. 143.
22 U. S. C. § 1509.

"(3) Of the assistance provided under the applicable provisions of this Act with funds made available under the authority of the Mutual Security Act of 1951, as great an amount (in no event less than 10 per centum) as possible shall be provided on credit terms."

Use of Counterpart

SEC. 523. Section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1513 (b) (6)), is hereby amended by—

62 Stat. 151.

(a) inserting in the second proviso thereof after "wealth" the following: "for the encouragement of emigration pursuant to subsection (e) of this section";

(b) adding in the last clause of the second proviso "and operating" after "administrative";

(c) striking from the last clause of the second proviso "within such country";

(d) substituting in the fourth proviso the words "upon termination of assistance to such country under this Act" in place of the words "on June 30, 1952"; and

(e) adding at the end thereof the following new sentences: "The Administrator shall exercise the power granted to him by

this paragraph to make agreements with respect to the use of the funds deposited in the special accounts of 'participating countries' (as defined in section 103 (a) hereof) and any other countries receiving assistance under the Mutual Defense Assistance Act of 1949, as amended, in such a manner that the equivalent of not less than \$500,000,000 of such funds shall be used exclusively for military production, construction, equipment, and materiel in such countries. The amount to be devoted from each such special account for such use shall be agreed upon by the Administrator and the country or countries concerned".

63 Stat. 714.
22 U. S. C. § 1571
note.

Return of Equipment

SEC. 524. The President shall make appropriate arrangements with each nation receiving equipment or material under the Mutual Defense Assistance Act of 1949, as amended (other than equipment or material furnished under terms requiring the nation to reimburse the United States in full therefor), for the return to the United States (1) for salvage or scrap, or (2) for such other disposition as the President shall deem to be in the interest of mutual security, of any of such equipment or material as is no longer required for the purposes for which originally made available.

63 Stat. 714.
22 U. S. C. § 1571
note.

Reimbursable Aid

SEC. 525. Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1580), is hereby amended by adding in the first proviso thereof, after the words "of which it is a part", the words "or in United Nations collective security arrangements and measures", and by changing the figure at the end of such section 408 (e) to "\$500,000,000".

63 Stat. 720.

Excess Equipment

SEC. 526. The proviso in the first sentence of section 403 (d) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1574 (d)), is hereby amended to read as follows: "Provided, That after June 30, 1950, such limitation shall be increased by \$250,000,000 and after June 30, 1951, by an additional \$300,000,000".

63 Stat. 717.

Congressional Committee Expenses

SEC. 527. Section 115 (h) of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1513 (h)) is amended by inserting before the period at the end thereof a comma and the following: "including local currency requirements of appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946".

63 Stat. 54.

United Nations Technical Assistance

SEC. 528. The Act for International Development is amended—

(a) By adding before the period at the end of section 404 (b) the following: "Provided, That for the fiscal year ending June 30, 1952, such contributions from funds made available under authority of sections 101 (a) (2), 203, 302, and 402 of the Mutual Security Act of 1951 shall not exceed in the aggregate \$13,000,000, and the use of such contributions shall not be limited to the area covered by the section of the Act from which the funds are drawn".

64 Stat. 205.
22 U. S. C. § 1557b.

(b) By adding at the end of section 407 a new paragraph:
 “(d) Participating countries shall be encouraged to establish fair labor standards of wages and working conditions and management-labor relations.”

22 U. S. C. § 1557e.

(c) By repealing section 414.

22 U. S. C. § 1557f.

Termination of Assistance by President

SEC. 529. If the President determines that the furnishing of assistance to any nation—

(a) is no longer consistent with the national interest or security of the United States or the policies and purpose of this Act; or

(b) would contravene a decision of the Security Council of the United Nations; or

(c) would be inconsistent with the principle that members of the United Nations should refrain from giving assistance to any nation against which the Security Council or the General Assembly has recommended measures in case of a threat to, or breach of, the peace, or act of aggression,

he shall terminate all or part of any assistance furnished pursuant to this Act. The function conferred herein shall be in addition to all other functions heretofore conferred with respect to the termination of military, economic, or technical assistance.

Expiration of Program

SEC. 530. (a) After June 30, 1954, or after the date of the passage of a concurrent resolution by the two Houses of Congress before such date, none of the authority conferred by this Act or by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571–1604) may be exercised; except that during the twelve months following such date equipment, materials, commodities, and services with respect to which procurement for, shipment to, or delivery in a recipient country had been authorized prior to such date, may be transferred to such country, and funds appropriated under authority of this Act may be obligated during such twelve-month period for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfer and shall remain available during such period for the necessary expenses of liquidating operations under this Act.

63 Stat. 714.

(b) At such time as the President shall find appropriate after such date, and prior to the expiration of the twelve months following such date, the powers, duties, and authority conferred by this Act and by the Mutual Defense Assistance Act of 1949, as amended, may be transferred for the purpose of liquidation to such other departments, agencies, or establishments of the Government as the President shall specify, and the relevant funds, records, property and personnel may be transferred to the departments, agencies, or establishments to which the related functions are transferred.

Transfer of powers,
etc.

Effective Date

SEC. 531. Sections 502 (a), (b) (2), and section 504 (b) of this Act shall take effect on such date or dates as the President shall specify, but in no event later than sixty days after the date the Director first

Ante, pp. 378, 379.

appointed takes office. Section 511 shall take effect ninety days after enactment of this Act. All other provisions of this Act shall take effect upon the date of its enactment.

Approved October 10, 1951.

As printed in *U.S. Statutes at Large*, 1951, Volume 65, Part 1 (Washington: GPO, 1952).

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